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ARMY ARMAMENT MATERIEL READINESS COMMAND ROCK ISLAND IL F/G 15/5
TASK FORCE STUDY ON CENTRALIZED VERSUS DECENTRALIZED ITEM MANAG--ETC(U)
JUL 78 D L BIXBY

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TASK FORCE STUDY
ON

CENTRALIZED

VERSUS

DECENTRALIZED

ITEM MANAGEMENT

WITHIN

HQ, ARRCOM. Volume 2.

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12 395
P1



10 Donald L. Bixby

VOLUME 2 (of 2)

EXECUTIVE SUMMARY AND STUDY REPORT

COMPLETED STUDY REPORT,

11 JULY 1978

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HQ, ARRCOM
ROCK ISLAND, IL

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Task Force Study on Centralized Versus Decentralized

Item Management within HQ, ARRCOM

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Contains Errata, Correspondence, Review Comments, and other Information subsequent to preparation of completed Draft Study Report.

APPENDIX A

TASK FORCE
MEMBERSHIP

ACCESSION for		
NTIS	White Section	<input checked="" type="checkbox"/>
DDC	Buff Section	<input type="checkbox"/>
UNANNOUNCED		<input type="checkbox"/>
CLASSIFICATION <i>Secret</i>		
<i>on file</i>		
DISPOSITION/AVAILABILITY NOTES		
SPECIAL		
A		

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TASK FORCE - STUDY on CENTRALIZED vs DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

MEMBERSHIP LIST

STUDY ADVISORY GROUP (SAG)

<u>PRIMARY</u>			<u>ALTERNATE(s)</u>		
<u>NAME</u>	<u>DRSAR</u>	<u>PHONE</u>	<u>NAME</u>	<u>DRSAR</u>	<u>PHONE</u>
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PRIMARY WORKING GROUP (PWG)*

<u>PRIMARY</u>			<u>ALTERNATE(s)</u>		
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Larry Flynn	PTF	4811	None		
Stu Olson	SAL	6583	Bill Shore	SAL	5418
			Lanny Wells	SAL	5418

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<u>PRIMARY</u>			<u>ALTERNATE(s)</u>		
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			Richard Harris	ILP	4500
Perry Pico	IMP-R	5976	Ed Bruen	IMP-R	5976
John Boland	ISS-S	4788	Harold Bracker	ISS-S	4788
Don Kotecki	LED	5475	Claude Comer	LED	5475
Harold Cheek	MAP-R	5307	Ed Vercelli	MAP-R	6203
Jim Knittel	MMP-S	6268	Terry Burke	MMP-P	5106
Arthur Wohlers	MSS	6781	Carl Schryver	MSS	6781
Harley Benson	PAP	3164	None		
Roland Welch	PCP-P	6514	Genevieve George	PCP-P	6514
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*PWG Augmentation (Mobilization Designees)-See page 2

PRIMARY WORKING GROUP (PWG) AUGMENTATION

During the conduct of the study the PWG was augmented by the following Mobilization Designate Trainees. Their principal efforts on behalf of the PWG are indicated.

<u>NAME</u>	<u>GRADE</u>	<u>BRANCH</u>	<u>ASSIGNED</u>	<u>PERIOD</u>
George Cromwell, Jr. Definitions and clarification of Item/Inventory/Material Management terms and applications. (Reference Appendix D, Annex 1.)	MAJ	ORD C	DRSAR-SA	1-12 Aug 77
John Hafner Compile and summarize responses to Preliminary Survey and Questionnaire. (Reference Appendix E.)	CPT	ORD C	DRSAR-AS	15-26 Aug 77
Wilfred Botterbush Literature search with emphasis on academic works on centralization and decentralization, theoretical applications, advantages and disadvantages of each type of organization. (Reference Appendix H, Annex 1.)	MAJ	AG	DRSAR-PT	7-18 Nov 77

APPENDIX B

ANNOTATED
BIBLIOGRAPHY

BOOKS

1. Kuhlman, N. H. C., Supply Management, Industrial College of the Armed Forces, Washington, DC, 1969.

This book describes supply, inventory, item, commodity management as it existed in 1969 and how it compared with and evolved from the previous materiel management systems and procedures dating back through World War II. The present management systems are essentially unchanged from what the book describes.

The 1969 processes had evolved to take advantage of the high speed computer systems and even at the present time the complete potential of utilizing automatic data processing have not been explored and therefore, basic changes have not been called for. The basic Army commodity command structure and use of the national inventory control (NICP) concept are clearly described. The regulatory (AR 710-1) definition of the six basic functions of item (inventory) management are listed. These include cataloging, requirements determination, procurement, distribution, overhaul, and disposal.

Though not defined specifically, the term "commodity" was identified with supply classes (p. 38). The Defense Supply Agency as well as the Army used the "single manager" concept for a class of items which have a common supply characteristic and are thus called a commodity. These characteristic categories include, for example, armaments, missiles, life support, medical, transportation, tank and automotive materiel, etc.

The intensive management elements such as project, system (program) and product managers are described and placed in the overall procurement system.

2. Hutchinson, John G., Management Strategy and Tactics, New York, Holt, Rinehart, and Winston Inc., 1971, p. 179.

The difficulty in running line staff organizations come primarily from the relationships that occur when line of authority overlap or conflict with staff activity.

3. Murdick, R. G., and J. E. Ross, Information Systems for Modern Management, Englewood Cliffs New Jersey, Prentice-Hall Inc., 1971.

p. 133, "Advantages of decentralization include greater economics of supervision, improved moral, better development of managers and in general more awareness of the contribution that decentralized units make to the whole."

Computerize system - It is this centralized control that permits decentralized operations.

4. Newman, W.H. and J.P. Logan, Strategy, Policy and Central Management, 6th Edition, Cincinnati, South-Western Publishing Co., 1971.

Discusses Central Management in relation to determining company strategy, defining major policy, organization for action and guiding the executive.

Discusses Central Management of decentralized firms. Probably at higher level than this (ARRCOM) headquarters.

pp. 9-10: Decentralization is well suited to a strategy stressing local service it encounters difficulty with computerized production scheduling.

Central Management necessarily relies heavily on junior executives for immediate supervision of operations. Substantial time required to make things happen or filter down.

pp. 197: Decentralization of advantages easier identification of worker products, less bureaucracy, more face to face contact instead of impersonal communication systems, executives with first-hand knowledge, no layering of supervisors.

pp. 385: Question of what to decentralization: Will the chief executive make all decisions or shift to subordinates - must be shifted when the boss gets too busy to handle all problems - problems with decentralization:

(1) Information is slow reaching the top, often distorted.

(2) Decisions are time consuming if all must agree.

Problem is to decide what decision will be decentralized.

5. Shubin, J.A., Business Management, New York, Barnes and Noble Inc., 1957.

pp. 27-28: Line (Scalar, or Military) Organization - Centralized:

Advantages: (1) A clear cut division of authority and responsibility make performance or nonperformance of duties readily traceable; (2) Owing to the simplicity of line organization, discipline and control are easily achieved; (3) Quick action, with a minimum of red tape, is possible.

Disadvantages: (1) There is a lack of specialization with resulting inefficiency, because each supervisor is responsible for a variety of duties in not all of which can he be an expert; (2) Supervisors are usually overlaid with matters which require personal attention; (3) it is difficult to secure foreman with the necessary all-round ability and knowledge; (4) So much reliance is placed on the foreman that their absence disrupts or cripples the organization; (5) There is an undue reliance upon the skill and knowledge of the workmen.

pp. 28-30: Functional Organization - Decentralized or Status Quo:

Advantages: (1) Specialization in supervision makes efficiency possible; (2) Men of required supervisory talents are readily found and easily trained for particular duties; (3) Specialized and skilled supervisor attention is given the workman.

Disadvantages: (1) Disciplines, control, and coordination of functions are difficult to attain, men cannot work effectively under two or more foremen at the same time; (2) The spheres of authority tend to overlap and give rise to friction; (3) The difficulty of locating and fixing responsibility for poor performance.

6. Skeen, H.G., and W.C. Frank, "Logistics Management," in US Army Command and Management: Theory and Practice, Volume II, pp. 501-544, US Army War College, Carlisle, PA, 1976-1977.

"The trend for management of the logistics system is toward decentralization of operational functions within an overall environment of highly standardized systems and procedures and a high priority on combat readiness of the total force." p. 534. This publication places the Army materiel management in the context of all readiness commands, and their financial management and interface with foreign military sales.

ARMY - MANAGEMENT COURSES

Army Logistics Management Center, Defense Inventory Management Course, ALM-38-24.

See Appendix D, Annex 1 for annotations on the course material.

PERIODICAL

"Army Logistician," Mar - Apr 77, page 1 - Emphasis - Air Force Manages Foreign Sale

"Centralized financial management of foreign military sales (FMS) was recently directed by OSD. The USAF was named DOD executive agent for operation of trust fund accounting, billing, cash collection, and administrative fee management. Army and Navy records and responsibility for the total accounting function have been transferred to USAF."

REGULATIONS

1. AR 70-17, Research, Development, and Acquisition System/Program/Product Management, 15 December 1976, p. 13.

This regulation establishes the procedures and assigns responsibilities governing centralized management of programs designated in accordance with stated criteria. The hierarchy is established as stated in the title. For example, a System Manager (SM) may be superimposed over one or more Program Managers, etc. The abbreviation, PM, must be clarified as to whether the "P" stands for program, project or product. However, AR 310-50 indicates that PM is normally understood to mean Project Manager.

2. DARCOMR 70-1, Transition of Management Responsibility from a Research and Development Command Manager to a Materiel Readiness Command Manager, 28 June 1976, p. 8.

The regulation applies to DARCOM Project/Product Managers (PM), Research and Development Command Managers (DM) and Materiel Readiness Command Managers (RM). An assigned DM or RM may range from a junior manager responsible for a minor item to a senior manager of a major item. The terms DM and RM identify the organizational location of a manager other than a PM; e.g., ARRADCOM or ARRCOM.

3. DARCOMR 614-13, Development/Readiness Project Officers, 12 August 1976, p. 9.

This regulation standardizes the terminology for use in assigning individuals to intensively managed programs which do not qualify under the established criteria for program/project/product management (AR 70-17). Eliminated are the terms Weapons Systems Manager, Commodity Manager, Special Item Management Officer, System Support Manager, etc., previously used in DARCOM. The Development Project Officers (DPO's) or Readiness Project Officers (RPO's) are appointed by the DARCOM CG or one of the CG's or commanders of one of his subordinate commands.

4. AMCR 570-4

Delineates supervisory to nonsupervisory and clerical to nonclerical ratios.

Provides guidelines for establishment of deputy, assistant, special assistant, or executive officer positions.

Provides direction concerning conversion of military/civilian positions.

NOTE: See Appendix D, Annex 1 for annotations on the following:
AR 700-126, AR 708-1, and AR 710-1

REPORTS - ARMY STUDIES

1. Crane, A. M., "Decentralized Materiel Management of Commercially Available Items", Management Survey Report, US Army Tank and Automotive Command, Warren, MI, 1973, LD 29323.

Abstract: This management survey report concerns itself with the effectiveness of the Army Tank-Automotive Command's implementation and exercise of required controls prescribed by DoD/DA supply management policies and procedures as they pertain to centralized and decentralized materiel management. Specific subject areas covered in the report include: Governing directives; centralized and decentralized materiel management including policies, procedures and scope and factors for determining type of management; Department of Army local purchase policy and procedure; change from centralized to decentralized item control; type management (supply status code) stratification; validity of continued current centralized management coding application; and potential savings.

Annotation: The report deals with the local versus centralized procurement of commercially available items. Quantitative data are available on the volume of small (less than \$500) orders and addresses the cost of PWD's. Some details of the interaction between CCSS ("ALPHA") and the management structure of the NICP. This report repeatedly cites the vernacular, "item management", where "inventory management" is the process concerned.

2. R. L. Sokol, "Supply Management by Systems" Study No. 47-67, US Army Mobility Equipment Command, St. Louis, MO 31 July 1968, LD 16590A.

Abstract: The study reviews the historical basis for the current organization of the Nation Inventory Control Point (NICP) of the Army Mobility Equipment Command (MECOM) and recommends a method of reorganizing based upon grouping of end items and their supporting repair parts into a series of systems.

Annotation: (Historical Background) The report reviews the NICP organization of the Mobility Equipment Command (MECOM) and defines systems management citing weapon systems as examples. Duties of a system manager are defined. They include all aspects of item inventory management except cataloging which is implicit in the revision of the TDP to accommodate changes in the TDP which inevitably occur in the life cycle of a system. The system manager, more than the item inventory manager, must take care of the engineering problems which develop during production and field service of a system.

REPORTS - ARMY STUDIES

3. Toler, J. M., Ron Hartoebben, Ruth Lilley, "Systems Oriented Command Study, TS ARCOM (the TROSCOM), St. Louis, MO March 1974, LD 33469A.

This report does not have an abstract or "summary and conclusions" section. However, the alternative organizations, systems management oriented, are presented along with the status quo TROSCOM organization. Each alternative has recommended staffing levels and functions performed. The term "centralization" is used in the sense that the CDIM study is using it.

FONECON with John Kelly, TSARCOM (Systems Analysis). The Toler Report was considered but not necessarily utilized in the recent re-organization. However, John said that the TSARCOM structure is systems oriented now with all three levels of management. That is, level 1 is the system, Product or Project Managers, level 2 includes Readiness Project Officers and level 3 includes "item" managers. OSD or DA charters level 1 managers. The commander, TSARCOM charters level 2 RPO's and the level 3 "item" managers are directorate appointees.

4. US Army Materiel Command (AMC, now DARCOM) "Management of Materiel Systems" Study by Army Materiel Command Board, AMCB-3-66, 30 Jun 67, LD 76533A.

Abstract: Life cycle management of materiel systems in AMC falls into three main categories: Functional management, commodity* management, and project management. Functional management is the oldest of the three and is used for life cycle control of the majority of materiel developed. Commodity* management is a relatively new technique and has only recently been applied to the Army Materiel Command. Project management, although older than commodity* management, is also relatively new and is applied to systems of high dollar value and major importance to the support of the Army. This study provided an overview of the three management methods, their relationship to each other and how they compare with the management methods of industry and other (armed) services. Improvements for current management techniques were developed by this study.

Reference: Jordan, E. J., "Report on Implementation of Commodity Management (AMCR 11-28)" to General F. S. Besson, Jr., CG, AMC, 31 Mar 67.

This report points to the greater manpower requirements which are necessary for intensive (centralized) management of "commodities" and the difficulty in controlling the "project offices." Project management fails to phase itself out when intensive management is no longer needed and while in the acting stage, tends to grow excessively in size. In either case, the "PM" practice of centralized "commodity

management saps the functional elements of an organization because they must have talented personnel performing functions of materiel management within each PM office.

*Commodity was defined then the same as "item" is now. AMCR 11-28 which implemented that definition was superceded at about the time this report was prepared, but the exact date could not be found.

5. US Army Materiel Command Board, "Interrelationships of AMC Major Subordinate Commands", Project AMCB 2-69 Draft Report, Aberdeen Proving Ground, MD, 30 Jun 69. LD 24864

Abstract: None

Annotation: Principal US Army Materiel Command (AMC now DARCOM) policies and procedures for assignment of integrated commodity management responsibilities and their resultant impact on the "subject." Existing command policies on total system responsibility and procedure for implementations were evaluated to determine their effect on operating relationships among project/product managers and major subordinate commands. In addition, several of the interfaces, areas of responsibility and reporting channels pertaining to AMC support of the SAFEGUARD system. Chapter 3 cites extremes of "PM" and Lead Command autonomy in a system/project/product management structure.

6. US Army Materiel Command Board, "Management of Quartermaster - Type Items" Project Study No. AMCB 1-67, Aberdeen Proving Ground, MD, 15 November 1967, LD 17145.

Abstract: "A project study designed to develop organization and management concepts for life cycle control of quartermaster - type items the scope of the study is to identify Department of Defense and Department of the Army organizations, management practices, and roles during the life cycle of quartermaster - type items."

Annotation: This report deals with the materiel management as it stood historically in 1967. However, much of the bibliography deals with regulations which have been superceded and are therefore no longer available which points to the problem in referring to regulations in any report without quoting or thoroughly digesting the pertinent passages for future reference.

DOD STUDY

1. Defense Logistic Agency (Defense Supply Agency), "Materiel Management Optimization (MATMOP)", Volumes I & II "Analysis", Volume III, "Statistical Appendices" LD Nos. 25043, 25043A, 25043B, (AD Nos. 886788, 886789, 88C790), Cameron Station, VA, May 1970.

Abstract: Volume 1 and 2, the objectives of this study were: (1) to determine the effect of the provisioning process and decisions on the central management/local management and federal stock number/non-federal stock number situation; (2) to determine whether provisioning decisions should vary by type of equipment; for example, be different if the end item to be supported is commercial, commercial type, or military, (3) to recommend appropriate revisions to DoD policy and criteria for determine when an item will be assigned a federal stock number; and (4) to recommend criteria for determining when an item will be managed by a centralized or a decentralized basis; for example, to answer the questions regarding central management versus local management or central purchase versus local purchase, including any revision to DoD instruction 4140.7, "Control, Supply, and Positioning of Materiel: and its item filter for making such decisions.

Abstract: Volume 3, this statistical appendix to the study is provided for the following purposes: (1) to provide backup data for the conclusions and recommendations contained in the basic report; (2) to provide more detailed statistical information for those desiring to develop more deeply into the cause/effect relationships of factors affecting the various management alternatives for items of supply, that time and space precluded inclusion in the basic report; (3) to make this huge reservoir of information available for use in solving logistics management problems whether they are directly or indirectly related to the main thrust of the study; and (4) to provide an insight into the rationale for selection and collection of data and the methodology for its processing and analysis.

Annotation: The in-depth MATMOP Study dealt with centralized versus local procurement and the economics and logistics of each alternative. It gives the rationale behind, and the basis of the automated inventory control including the assignment of national (then Federal) stock numbers. Armaments were among the commodities excluded. The effects of improper provisioning and impact of wartime (S.E. Asia) were shown. Previous studies and their conflicting conclusions were summarized. The establishment of an NICP is the heart of the centralization system. The study did not address the organization within an NICP.

The term "item manager" is used through the report.

MISCELLANEOUS ARMY PUBLICATIONS

US Army Supply Bulletin SB 700-20, "Army Adopted/Other Items Selected for Authorization/List of Reportable Items vs Army Adjutant General," Washington, DC, 1 Sep 77.

"This bulletin provides a list of Army adopted items and other selected items for use in conjunction with the Army authorization document system, TAADS (AR 310-49) and CTAS (Chapter 3, AR 310-34), the Army Maintenance Management System (TM 38-750). . . property book set up and maintenance (AR 708-1). . . instructions for specific commodity managers."

This bulletin lists supply class and subclasses cited in response to survey questions (see Appendix E) - catalog number assignments for reportable line and nonstandard items. These include Classes I through X (Roman) and subclasses A-Z.

NOTE: See Appendix D, Annex 1 for annotations on the following:
FM 38-1 and FM 38-2.

MISCELLANEOUS DOD PUBLICATIONS

JCS Publication Number 1, Dictionary of Military and Associated Terms, 1974.

See Appendix D, Annex 1 for annotations on this document.

OTHER SERVICE STUDIES (OSS)

1. Ames, D. L., "Centralization: A Review and Analysis" Research Report to the Faculty, Air University, Maxwell Air Force Base, AL, April 1975, LD 33221D.

Abstract: The purpose of this report is to provide a review and analysis of the reasons underlying increased centralization (of materiel management) in the USAF. Specific reference to recent examples of re-centralization are included. However, the primary emphasis in this report is on the theoretical and conceptual reasons for decentralization which are found in writing on modern management theory.

Quotation: "The key to achieving proper balance between centralization and decentralization is believed to lie in the education of managers at all organizational levels."

2. Anderson, G. M., "Guidelines for Materiel Management" Research Study, Air University, Maxwell Air Force Base, AL, 1977, LD 39140A.

Abstract: Capsulizes a broad range of . . . policies and processes governing the flow of materiel. Information is . . . drawn from official directives, . . . referenced . . . for additional detail.

Selected subjects: functions of supply, procurement, transportation, and maintenance. Objective: Assist AF commanders and managers who want a better understanding of . . . materiel systems.

This paper deals with Air Force regulations. Army Regs are not cross referenced. Reference is made to DoDD-4140.26, "Integrated Materiel Management for Consumable Items" Office of Assistant Secretary of Defense Installation and Logistics, Washington, DC (1975). That regulation requires one manager for each item. The "manager" is the inventory control point. The manager may be the Command, in which case the CG is the responsible individual.

3. Fields, Samuel E., "Organization for Humanization", Research Paper, submitted to the faculty, Auburn University and Air University, Maxwell Air Force Base, AL, 1971. LD 27801

Abstract: Humanization is a different approach to the aged discussion of decentralized organization versus centralization. Using tactical fighter units as the vehicle, the evolution from decentralized units to centralization and back to decentralization is described, emphasizing the effects on personnel resources. Behavioral science authorities are used to relating "people problems" of today's Air Force to possible solutions by more emphasis on decentralization.

Annotation: The report cites disadvantages of centralizing the maintenance of aircraft. The change to centralization took place after World War II and continued through the Korean War and into the 1960's. The advantages are reported in the current trend toward giving wing commanders control over maintenance and other personnel matters within his unit. The example is of a delicate system (the aircraft) where personnel morale can have a direct influence on its performance.

4. Haukeli, Karsten, "The Logistic System Concept and Foreign Military Sales" Thesis, Naval Postgraduate School, Monterey, CA, December 1976, LD 38924A.

Abstract: A conceptual framework for a logistic system is developed. The functional activities within the logistics system, their relationship to each other, and how they should be managed is described.

The existing organization for Foreign Military Sales (FMS) in the Royal Norwegian Navy and the US Navy is identified, including an example of a typical FMS transaction.

An evaluation of the FMS system is made, partly based on the conceptual model of a logistic system developed earlier. The evaluation is based on gathering information and the author's personal experience with FMS.

It is concluded that there is a good fit between the existing FMS organization and the theoretical logistical model. Areas of special concern are identified to be order processing, communication, transportation and training of individual in the customer's FMS organization.

Annotation: Materiel management systems reviewed, cost estimates are provided, and a method of costing FMS are offered. Alternative organizational systems which could better supply naval materiel were considered. Load-time analyses (average time and time distribution) were obtained in actual materiel acquisition cases. "Items" are ordered and "centralized inventory control" is maintained.

5. Morrell, Jimmy R., "An Analysis of New Cash Payment Plan for Foreign Military Sales to Iran", Research Study, Maxwell Air Force Base, AL, May 1977, LD39115A.

Abstract: The Foreign Military Sales Program has become a big business for the U.S. This research study discusses the US transition from a program of military assistance to the current. . . foreign military sales, (specifically to) Iran. This study analyzes normal payments and new payment systems. Criteria: political and economical benefits. Conclusion: The new system is a quantum improvement. Recommendation: Implement new system for Iranian FMS and selectively for other major FMS recipients.

6. Scappa, J., Jr., "Forward Realistic Centralization", Research Report to the faculties of Auburn University and Air War College, Maxwell Air Force Base, AL, 1972, LD27901.

Abstract: This report traces the statutory evolution of the DoD from 1947 to 1958 with particular emphasis on the gradual accumulation of legal authority by the Secretary of Defense. The report describes the methods and concepts employed subsequent to 1958 by various Secretaries of Defense to flesh out the skeleton of legal authority with the muscle of political authority and centralized decision making. It highlights the debate between proponents of centralization and those who favor decentralization, discusses the central issue of efficiency versus effectiveness, and describes the change in management philosophy effected by Secretary Laird. The author concludes that the trend toward realistic decentralization instituted by Secretary Laird is the current approach toward solving the evils of over-centralization and suggest wider participation in "participatory management" as the way to enhance effectiveness and bolster military life.

Conclusions: 1. DoD is too large and too complex to be managed effectively from one central point.

2. Participatory Management with decentralized decision making authority and accountability is a major step toward parceling out the pie into more digestable bites.

3. Participation in the decision making process has changed the atmosphere and improved the morale of central management within DoD.

Recommendations: 1. Participatory Management should be emphasized both in the breadth and depth throughout the DoD to provide more authority and accountability by subordinate officials.

2. Challenge subordinate authorities by giving them authority to do something and make them accountable.

APPENDIX C

CORRESPONDENCE

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPP	Task Force Study on Centralized or Decentralized Management and Item Management

TO DRSAR-AS -CP -MS -PT -SA	FROM DRSAR-PP	DATE 17 NOV	CMT 1 Mr. Bixby/kmc/6414
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Approved study plan provided for full time participation of Task Force Members as required. Every effort has been made to date to adjust the needs of the study in favor of those of the members organizational workloads and priorities. For this reason, in part, study due date was extended from 30 October to 15 December 1977. The study is in the final analysis and report preparation stage, with less than 20 working days left until due date. It is imperative to the study effort that all members of the Primary Working Group (PWG) now participate full time. Request that the following PWG members (or designated alternates) be released to the Task Force for full time study efforts until study completion and submission:

DRSAR-AS - Al Gustafson (LTC Reynolds)
DRSAR-CP - Harry Rubin (Bert McKenney)
DRSAR-MS - Ken Cater (Carl Schryver)
DRSAR-PT - Larry Flynn
DRSAR-SA - Stu Olson (Bill Shore & Lanny Wells)

Isabelle Hansen
ISABELLE HANSEN

Chief, P&P Policy and Plans Office

CF:
PWG Members

C-1

DA FORM 2496
1 FEB 67

REPLACES DD FORM 96, WHICH IS OBSOLETE.

☆ U. S. GPO: 1976-0-765-037 15

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPP <i>929 24</i>	Study on Centralized or Decentralized Management and Item Management
<input checked="" type="checkbox"/> THRU DRSAR-PP <input checked="" type="checkbox"/> TO DRSAR-CG	FROM DRSAR-PP DATE <i>28 SEP 77</i> CMT 1 Mr. Bixby/lkp/6414

1. Study plan for subject study projected a submission date of 30 Oct 77.
2. Delays have been experienced in the areas of reference research and data gathering. Additionally, the subject matter and functional interrelationships have proven to be of greater complexity than originally envisioned. Study progress is approximately 30 days behind schedule at this time, and submission of a completed study report by 30 Oct 77 is no longer attainable within regular hours.
3. The Study Advisory Group was apprised of this situation on 22 Sep 77, and has recommended extension of the submission date to permit sufficient time for development of a complete study.
4. Request that a 30 to 60-day extension of submission date for study report be granted.

Isabelle Hansen
ISABELLE HANSEN
Chief, P&P Policy and Plans Office
Chairman, SAG

CF:

DRSAR-AS, COL Kelley
DRSAR-CP, COL Rife
DRSAR-MS, Mr. McCune
DRSAR-PT, Mr. Logan
DRSAR-SA, Mr. Rhian

REMARKS

*OK - let's start for
15 December.*

W. T. Green

WILLIAM T. GREEN
Colonel, GS
Chief of Staff

DAVID L. LANE
DAVID L. LANE
LTC, GS
Secretary of the General Staff

OPTIONAL FORM 41
AUGUST 1967
GSA FPMR (41CFR)

C-2

DATE
28 Sep 77

PHONE

* GPO : 1969 O-302-029 5041-101

DA FORM 2496
1 FEB 62

REPLACES DD FORM 86, WHICH IS OBSOLETE.

* U.S. G.P.O. 1976-665697/1018

TASK FORCE

Study on Centralized VS Decentralized Item Management within HQ, ARRCOM

MINUTES OF SAG/PWG MEETING
(22 SEP 1977)

SAG Attendees:

Mrs. Hansen (Chairman)	DRSAR-PP
COL Kelly	DRSAR-AS
Mr. Rhian	DRSAR-SA
Mr. McCune	DRSAR-MSF
Mr. Jack L. Hill (for Mr. Logan)	DRSAR-PT

ABSENT: COL Rife DRSAR-CP

PWG Attendees:

Mr. Bixby (Chairman)	DRSAR-PP
Mr. Gustafson (for LTC Reynolds)	DRSAR-ASP
Mr. Flynn	DRSAR-PTF
Mr. Cater	DRSAR-MSSF
Mr. Olson	DRSAR-SAL
Mr. Wells	DRSAR-SAL
Mr. Shore	DRSAR-SAL

ABSENT: Mr. Piersel (Vice Chairman) DRSAR-PPM

Mr. Rubin DRSAR-CPP

Mr. McKenny DRSAR-CPP

1. PURPOSE OF MEETING: Furnish SAG with a study status report, and request an extension of time to complete the study.

Minutes cont'd.

2. INTRODUCTION:

Mr. Bixby called the meeting to order at 1405 hours and distributed the minutes of the 12 August meeting and the milestone rosters dated 21 July 1977. He stated that the purpose of the meeting was to furnish the SAG with a progress report and list the problems facing the PWG. Meeting Agenda as follows:

- a. Update current status.
- b. Show the alternatives proposed.
- c. Discuss factor weighting analysis.
- d. Propose an extension of the study time.

3. STATUS:

- a. Milestones June 20 thru August 15: Complete.
- b. Milestones July 25 and beyond: Slippage has been caused by:
 - (1) Longer than anticipated time required for return of microfiche (MF) copies of reports, and reading time for the MF material.
 - (2) Survey responses fell behind up to 30-days.
 - (3) Completion of functional interviews with TWG members was delayed by late survey responses.
 - (4) Typing of survey response compilations and functional interview notes was slow and still only 80% complete.
 - (5) The study is simply more complex than envisioned at first.
- c. Completion of TSG functional interview notes in final form is delayed pending final discussions with TSG members for verifications and additional information.

Minutes cont'd.

d. Overall, the PWG felt that the study was 30-days behind schedule. Some additional slippage might be expected in the course of preparing the final report.

e. Status of remaining milestones was as follows:

(1) Survey responses have been completed, compiled and typed in final form (95% complete).

(2) Summary of survey responses, editing and revisions are in process (50% complete).

(3) Data gathering literature and other documentation (80% complete).

(4) Verification of TSG interviews to begin the week of 26 SEP 77 (0% complete).

(5) Alternative developments -- 15% overall

Identification	100%
Sorting	50%
Options variation	25%
Individual Analysis	10%
(Straw man)	

f. Personnel efforts of the PWG*

Todate:	Bixby	90%
	Shore	90%
	Wells	90%
	Cater	85%
	Flynn	50%
	Gustafson	20%
	Rubin	20%

*Approximating a six-man team at 60-70% effort, based on available time.

Minutes cont'd.

Future: (1) Rubin and Wells have temporary reassignments lasting through mid October.

(2) Flynn will be away during the middle of October.

g. Remedies:

(1) An overall extension of 30-45 days.

(2) Employment of the word processing unit in the DRSAR-IS Directorate on an overtime basis which would amount to a total cost of at least \$200 for 200-pages of typing. However, SAG approval for any overtime would be required.

h. Evaluation:

(1) The deeper the PWG dug into the study the more complex it has become.

(2) Directorate efforts have not been tied together precisely because of conflicting testimony from various TWG members.

(3) Quantitative data was not available in some areas. Therefore, alternative systems must be ranked on the basis of value judgement.

(4) The various alternative systems (status quo and more or less complete centralization of item inventory management) was stated to be evaluated tentatively on factors as follows:

(a) ARRCOM mission effectiveness.

(b) Cost.

(c) Personnel changes or turmoil.

(d) Time required for implementation.

(e) Control responsiveness.

Minutes cont'd.

4. SAG RESPONSES:

a. Consensus: Selection of alternative systems based on value judgement alone was discouraged.

b. Consensus: The package (final report) should be complete, and a less than complete report should not be submitted even if this requires an extension.

c. Rhian: "What catastrophe would happen if the deadline for completion of the study were postponed for 60-days?"

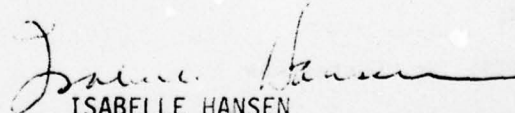
d. Bixby: "None that can be foreseen at this time in terms of overall ARRCOM mission."

e. Consensus: Holidays and temporary personnel reassignments make a 45-day extension equivalent to 60-calendar days. Therefore, the 60-calendar day extension was approved with the stipulation that the PWG work to issue the final report of the completed study at the earliest date possible.

f. The PWG should not seek to evaluate more than the status quo and the three alternative systems unless otherwise indicated.

g. The PWG should not expend efforts on developing a full factor-weighting valuation if the results will be questionable and judgemental.

h. Meeting adjourned at 1450 hours.



ISABELLE HANSEN
Chief, P&P Policy and Plans Office
Chairman, SAG

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPP	Task Force - Study on Centralized versus Decentralized Item Management Within HQ, ARRCOM
TO SEE DISTRIBUTION	FROM DRSAR-PPP
	DATE 18 AUG 1977 CMT 1 Mr. Bixby/dnm/6414

1. Reference is made to DF, DRSAR-PPP, 29 Jul 77, SAB.
2. The preliminary survey questionnaire provided during FWG/TSG meetings 21 Jul and by referenced DF was general in nature. Results of this survey and further research by the FWG have surfaced, as anticipated, specific areas of question. These questions can best be answered by the directorates principally involved in item/material management and inventory control. To this end the FWG will hold discussion meetings with appropriate TSG representatives, commencing 16 Aug 77.
3. All discussion meetings will be held in the DRSAR-PPP office, fifth floor, bldg 350. Exact date and time for meeting with representatives of each of the key functional directorates will be arranged by follow-up contact from a FWG member.
4. Discussions will center on the basic elements of integrated inventory management as cited in AR 710-1, "Centralized Inventory Management of the Army Supply System"; and the personnel, functions, tasks, and procedures employed by your directorate in the accomplishment and/or support of these elements (i.e.--cataloguing, requirements computation, procurement direction, distribution management, and disposal direction). A list of factors, data elements, and potential question areas is attached (Incl 1). Please be prepared to discuss and document in these areas. The attached list is indicative but not inclusive, in that evolved discussion areas are anticipated. Additional factors and subject areas are welcome and solicited from the TSG representatives. TSG members may augment their directorate's representation at the meetings, as necessary, to ensure authoritative discussion and responses.

1 Incl
as

D. L. Bixby
D. L. BIXBY
DRSAR-PPP
Chairman, FWG

DISTRIBUTION:

DRSAR-AS, ATTN: Mr. Gustafson
DRSAR-DA
DRSAR-IL, ATTN: Mr. Kieffer
DRSAR-MA, ATTN: Mr. Cheek
DRSAR-MM, ATTN: Mr. Knittel
DRSAR-PD, ATTN: Mr. Braman
DRSAR-QA, ATTN: Mr. Saunders

CF:

DRSAR-PP, Mrs. Hansen, Chairperson, SAG
DRSAR-PPM, Mr. Piersel, FWG
DRSAR-ASP, LTC Reynolds, FWG
DRSAR-CPP, Mr. Rubin, FWG
DRSAR-PTF, Mr. Flynn, FWG
DRSAR-SAL, Mr. Olson, FWG

DRSAR-MSS, Mr. Cater, FWG

C-8

DA FORM 2496

REPLACES DD FORM 96, WHICH IS OBSOLETE.

U.S. G.P.O. 1976-665697/1018

POTENTIAL DISCUSSION TOPICS

Elements of Inventory Management

- Cataloguing
- Requirements Computation
- Procurement Direction
- Distribution Management
- Maintenance Direction
- Disposal Direction

Quantifying/Qualifying Data

- Number of individual items managed.
- Is it User item (GSA/D&A, etc) or Managed Materiel?
- Description/categories of items.
Type, # of each; \$ value of each.
- Number of people performing an activity.
- What functions do they perform?
- What tasks do they perform within each function?
- What record system is used for control?
- What numbering system(s) is used?
(NSN/MDR, Part #, Dwg #, Serial #, etc)
- What procedures are utilized?
(SOP's, forms, etc)

General Questions

- Has a DA/DARCOM NICP Review Team visited your directorate recently?
- If so, is a copy of their report available?
- What would be the effect on your organization if all item/inventory management functions were centralized within HQ, ARRCOM?
- What would be the effect on HQ, ARRCOM if these functions were centralized?
- What are the effects of external interfaces, and from whom? (Higher HQ, customers, industry/contractors, etc).
- What suggestions do you have for possible improvement of the management of items within HQ, ARRCOM?

FACTORS

- 1A - ARRCOM peculiar items managed by other than DRSAR-MM.
- 1B - Items managed by DRSAR-MM.
- 2 - Assignment of NSN of MCN.
(Who, how, why, when?)
- 3 - Designation of an Item Manager.
(Who determines?)
(How determined?)
(Criteria)
- 4 - Coordination with DRSAR-MM;
with other directorates.
(When; when not? How? What?)
- 5 - Numbering systems used other than NSN or MCN.
(Who uses? Why? What types of items?)
- 6 - Difference between MM "Cataloguing" and "Lists/Inventory Control" by others. (What? Why? How controlled?)
- 7 - System used for item requirements, procurement, delivery and billing.
- 8 - Impact and procedures for nonArmy requirements.
- 9 - External interfaces.
- 10 - Human factors.

DATA ELEMENTS

- 1 - Item type, category, quantity \$ value.
Items managed by each manager.
\$ Levels involved.
User items vs Managed items.
- 2 - Criteria (What?)
\$ Value?
Frequency?
Type?
- 3 - Where located?
What level?
How many people?
- 4 - (Same as 2, above)
- 5 - What system?
of items by system and type.
\$ values by system and type.
- 6 - Total # of items in the system.
Total \$ Value in the system.
of "common" items in the system.
- 7 - SOP's
Regulations.
Forms.
- 8 - # of individual items.
of individual orders.
\$ values.
of item managers involved.
- 9 - What organization for which items?
- 10 - Skills/positions.
Training.
Motivations.

DRSAR-PPP
DRSAR-MM

Task Force - Study on Centralized versus Decentralized
Item Management Within HQ, ABRCOM
DRSAR-PP

8/22 AUG 1977
Mr. Bixby/dnm/6414

1. Reference is made to DF, DRSAR-PP, 11 Jul 77, SAB, with CMT 2, DRSAR-MM, 22 Jul 77.
2. The study plan, approved by the CG, was conceived on a premise of organizational impartiality in the composition of the Study Advisory Group (SAG) and Primary Working Group (PWG). Participation by the functionally involved directorates is to be provided primarily through representation on the Technical Support Group (TSG). Data inputs and viewpoints of the involved functional directorates will be actively solicited through the TSG members, both in responses to surveys and in discussion meetings with the PWG. Voluntary inputs are welcome and solicited. Participation of the Materiel Management Directorate, as one of the principal involved directorates, is considered to be basic and integral to the accomplishment of the study and will necessitate full cooperation through its TSG representatives. However, inclusion of the Materiel Management Directorate (or any other principally involved functional directorate) on the SAG or PWG is contrary to the concept of the approved study plan.

ISABELLE HANSEN
Chief, P&P Policy and Plans Office
Chairperson, SAG

CF:
DRSAR-PPP/Mr. Bixby (Chairman PWG)

TASK FORCE

Study on Centralized VS Decentralized Item Management within HQ, ARRCOM.

MINUTES OF SAG/PWG MEETING
(12 AUG 1977)

SAG Attendees:

Mrs. Hansen (Chairman)	DRSAR-PP
COL Rife	DRSAR-CP
COL Kelly	DRSAR-AS
Mr. Rhian	DRSAR-SA
Mr. Harrell (for Mr. McCune)	DRSAR-MSF
ABSENT: Mr. Logan	DRSAR-PT
Mr. McCune	DRSAR-MS

PWG Attendees:

Mr. Bixby (Chairman)	DRSAR-PP
Mr. Gustafson (for LTC Reynolds)	DRSAR-ASP
Mr. Flynn	DRSAR-PTF
Mr. Cater	DRSAR-MSSF
Mr. Olson	DRSAR-SAL
Mr. Wells	DRSAR-SAL
Mr. Shore	DRSAR-SAL
ABSENT: Mr. Piersel (Vice Chairman)	DRSAR-PPM
Mr. Rubin	DRSAR-CPP
Mr. McKenny	DRSAR-CPP
LTC Reynolds	DRSAR-ASP

Mr. Bixby briefed the SAG/PWG to provide an update on PWG activities and provide a status report. The briefing included four main parts: Status, Factors, Problems and a Discussion. Each part is summarized below.

Minutes cont'd.

1. STATUS:

Mr. Bixby discussed the status of the following Study Activities and Milestones:

- Task Force Establishment. (Membership list provided and a chart shown.) This activity is effectively complete and the PWG "operational." We still feel that the new DAS Directorate should be represented on the TSG. They have not as yet responded to a verbal request so we are sending a formal DF. PWG has been augmented by two people from DRSAR-AS and one from DRSAR-MS, plus two MOB DES.

- PWG Functioning. Nearly full time, with two, 4-hour scheduled meetings per week and many of the members working full time on assigned tasks, literature search or research.

- Preliminary Survey.

- Returns are only in for 12 of 19 queries, but all of the "key" directorates have responded except DAS. Response has been good, but many are very "general" and heavily "textbook" oriented.

- Major Cromwell compiled questions 2, 3, and 4; with summary and conclusions.

- Full results will be compiled and summarized next week by another MOB DES, CPT Hafner.

- Literature Search (50% complete). We have bibliography from DLSIE and DDC, and have requested microfiche. AMETA and SARRI-ADL have been contacted. Delays due to lead time.

- External Queries (100% complete). Other Commodity Commands, John Deere Company, etc.; with minimal results. Negative responses from all contacts in terms of similar studies or projects.

- Factors and Data Elements. A preliminary list has been developed by the PWG, and will be discussed later for SAC comment and concurrence.

- Data Gathering, Compile/Sort, and Summarizing. This is an on-going effort, in process through survey, literature search, etc.

- Functional Discussion with TSG's. To begin next week with DRSAR-MM. PWG will use the Factors/Data Elements hand-out as an outline. A DF is being sent to all key TSG's with discussion topics attached.

- Functional "Audit/Monitor". This will be a "follow-on" effort, as required, after discussion meetings.

- Develop Alternatives. This is scheduled to begin next week, but will probably experience a two week slippage.

Minutes cont'd.

Discussion on Status:

Rhian: You need a definition of centralized management.

Rife: Systems management along functional lines is used in most directorates.

Bixby: PWG will get right on it next Monday. It is part of our current efforts.

SAG: Concurs that DAS should be represented on the TSG. PWG to follow up on this and let SAG know if it is a problem.

2. FACTORS:

The following preliminary list of potential "factors" (which the PWG feels may impact inventory management) was presented to the SAG for their comment and concurrence:

- a. ARRCOM "Peculiar" Items (by other than DRSAR-MM).
- b. Assignment of MCN and/or NSN (for CCSS).
- c. Designation of Item Managers.
- d. Coordination - with DRSAR-MM, with others.
- e. Numbering Systems Used (other than NSN).
- f. Differences in "Cataloging".
- g. Differences in Logistics "Systems" used.
- h. Effects of "Non-Army" requirements.
- i. External Interfaces.
- j. Human factors.

Passed out Potential Discussion Topics sheets (copy attached), which the PWG plans to use as outline during meetings with TSG. Copies of these "Topics" sheets, if approved by SAG, will be provided to TSG in advance of discussion meetings.

Discussion on Factors:

SAG: General concurrence with the preliminary list of Factors and the proposed Discussion Topics sheets. No specific changes or additions to either.

Olson: Each TSG will be invited to the PWG for verbal discussion of topics in his area. We will avoid the use of the term "item management" and try to focus on activities that they perform relating to inventory management and stock control. In QA, gages and inspection devices; in DRSAR-MM, standard materiel; in DRSAR-MA, APE; in DRSAR-PD, components.

Rhian: What about stock control on office property; i.e., desks, chairs, cabinets? Is that covered too? You don't have a definition of the scope of inventory management.

SAG: No property management, TDP's or IPE will be included.

Olson: The functions these people are performing will be matched against the six elements of inventory management and a quantity measure and qualitative description will be included if possible.

Minutes cont'd.

Harrell: Then you will have a matrix with organizations across the top and functions down the side with entries as appropriate? Sounds like a good scheme.

Olson: Major Cromwell defined item management for us and wrote a paper. This is the basis for the matrix. It will serve as a basis for identification of all activities within the AR definition of item management and all the items managed.

Rhian: But why include items we don't sell? You still don't have a definition if you don't discriminate between items we sell and those we just use ourselves.

Rife: Any item in the command is potentially for sale.

Hansen: Take a look at the Sroust Study for a list of all the various numbering and cataloging systems currently in use.

Bixby: Will get right on it next Monday - Mr. Cater will check on it, as he is already talking with McDow about the ABC System.

3. PROBLEMS:

- Need DAS survey. (COL Rife: "LTC Moses doesn't have time to fill out survey." SAG: "Understand his problem, but DAS will be key element in Inventory Management and the study would be incomplete without DAS input.")

- MM request to be SAG member. (SAG: All understand MM's desire, but agreed to maintain original concept of SAG and deny DRSAR-MM request.)

- Delay in survey returns. (Causes overall delay in balance of study effort. Flynn is following up on phone.)

- Literature search delayed. (SAG: Concerned that DDC terminal has no operator. Harrell: Asked Ken Cater to contact MSD to see if they can help on this matter.)

- Definitizing Factors and Data Elements. (They have been difficult to identify.)

- Quantification will be used very little. (The PWG hasn't been able to develop any meaningful basis or elements for quantification. Rhian: "You should quantify whenever and where ever possible to the maximum extent.")

- Study now two weeks behind schedule. (Some padding in schedule may absorb delay. PWG will apprise SAG if Oct 30 submission date is in jeopardy.)

- Bigger task than anticipated. (This, plus literature search lead times and the slow response time on surveys are keys to why the study is behind schedule.)

4. CLOSING DISCUSSION:

- COL Kelly: Much time was lost trying to find out what to study.

- Olson: Yes, but concept was to put people on the PWG without bias - that also means limited direct familiarity with item management.

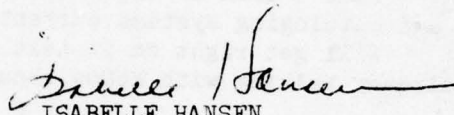
- COL Kelly: Maybe we should have planned for more time in the schedule to educate the PWG.

- Rhian: Feels good about study now. PWG is on the right track.

Minutes cont'd.

- COL Kelly: Literature search is taking too long. Why is it all necessary?
- Harrell: Literature search OK.
- Rife: But different sources will give different answers and confuse the PWG.
- Rhian: Required by regulation and a good practice. It must be done.

ADJOURN



ISABELLE HANSEN
Chief, P&P Policy and Plans Office
Chairman, SAG

DRSAR-PAP (Undated)

SUBJECT: Study on Centralized/Decentralized Item Management Within HQ, ARRCOM

TO DRSAR-SAL
ATTN: Mr. Olson

FROM DRSAR-PA

DATE 3 Aug 77 CMT 2
Mr. Baker/ej/4680

As requested, contact was made with MIRCOM and TARCOM, and both commands advised that they had not conducted any similar subject studies. Further, a search of the DARCOM bibliography of completed studies/studies in process disclosed one possibility, a study ALMC titled "Guidance for Major Items Management System (MIMS)." A copy of the Research and Technology Work Unit Summary, DD Form 1498, is attached for your information.

1 Incl
as


HARLEY L. BENSON
Acting Director, Plans & Analysis Dir

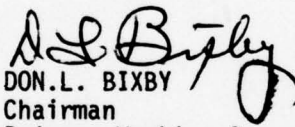
DISPOSITION FORM

For use of this form, see AR 340-15; the proponent agency is The Adjutant General's Office.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPP	Study on Centralized/Decentralized Item Management Within HQ, ARRCOM

TO	FROM	DATE	CMT 1
DRSAR-PAP ATTN: Mr. Benson	DRSAR-PPP		Mr. S. Olson/kh/6583

1. Reference is made to DRSAR-PP DF dated 11 July 1977, subject, Task Force - Study on Centralized or Decentralized Management and Item Management.
2. The PWG needs your assistance as the TSG representative from your Directorate (ref 1). As a part of the formal literature search, we need to know if any of the other readiness commands in DARCOM, in particular MIRCOM and TARCOM, have performed any similar subject studies recently. This would include internal staff studies which may not have been published outside the command organization. Our interest is in studies related to item management and/or centralization of functions.
3. Please contact your organizational counterparts or any other sources as you deem appropriate to locate the needed information. This information is needed by 5 Aug 77. You may furnish the information to PWG member Stuart Olson, DRSAR-SAL.


DON.L. BIXBY
Chairman
Primary Working Group (PWG)
Task Force, Study on Centralized
vs Decentralized Item Management
Within ARRCOM

CF:
DRSAR-SAL (Mr. Olson)

C-18

RESEARCH AND TECHNOLOGY WORK UNIT SUMMARY				1. AGENCY ACCESSION ^a	2. DATE OF SUMMARY ^a	REPORT CONTROL SYMBOL DD-DR&E(AR)636	
3. DATE PREV SUPPLY	4. KIND OF SUMMARY	5. SUMMARY SCTY ^a	6. WORK SECURITY ^a	7. REGRADING ^a	8A. DISSEM INSTR ^a	8B. SPECIFIC DATA- CONTRACTOR ACCESS	9. LEVEL OF SUM
	A New	U	U	NA	NA	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	A. WORK UNIT
10. NO./CODES ^a	PROGRAM ELEMENT	PROJECT NUMBER	TASK AREA NUMBER	WORK UNIT NUMBER			
A. PRIMARY							
B. CONTRIBUTING							
C. CONTRIBUTING							
11. TITLE (Precede with Security Classification Code) ^a							
(U) Guidance for Major Items Management System (MIMS)							
12. SCIENTIFIC AND TECHNOLOGICAL AREAS ^a							
009700 Mathematics and Statistics 011700 Operations Research							
13. START DATE		14. ESTIMATED COMPLETION DATE		15. FUNDING AGENCY		16. PERFORMANCE METHOD	
7605		7612		DA		C (In-House)	
17. CONTRACT/GRANT				18. RESOURCES ESTIMATE		A. PROFESSIONAL MAN YRS	
A. DATES/EFFECTIVE:		EXPIRATION:		FISCAL YEAR		B. FUNDS (in thousands)	
B. NUMBER:		C. TYPE:		FY76/77		0.4	
D. AMOUNT:		E. CUM. AMT.		FY77		0.2	
19. RESPONSIBLE DOD ORGANIZATION				20. PERFORMING ORGANIZATION			
NAME: US Army Development & Readiness Cmd Directorate for Plans, Doctrine & Systems				NAME: DARCOM Inventory Research Office US Army Logistics Mgt Center			
ADDRESS: 5001 Eisenhower Avenue Alexandria, VA 22333				ADDRESS: US Custom House - Room 800 2nd & Chestnut Street Philadelphia, PA 19106			
RESPONSIBLE INDIVIDUAL				PRINCIPAL INVESTIGATOR (Furnish SSAN if U.S. Academic Institution)			
NAME: Mr. Sherl Grady				NAME: Steve Gajdalo			
TELEPHONE: AV 284-8789/60/58				TELEPHONE: AV 348-6984/85/86			
21. GENERAL USE				SOCIAL SECURITY ACCOUNT NUMBER:			
8231							
4-S Foreign Intelligenece not applicable				ASSOCIATE INVESTIGATORS			
				NAME:			
				NAME:			
22. KEYWORDS (Precede EACH with Security Classification Code) ^a							
(U) Major Items Management System (MIMS); (U) Cost; (U) Requirements; (U) Data Base Management; (U) Data Elements; (U) Major Items							
23. TECHNICAL OBJECTIVE, 24. APPROACH, 25. PROGRESS (Furnish individual paragraphs identified by number. Precede text of each with Security Classification Code.)							
23. (U) Technical Objectives.							
(A) Eliminate unnecessary duplication of efforts related to collection, storage, maintenance and management of data elements.							
(B) Reduce manual inputs for item manager and provide better overall support.							
(C) Reduce volume of reports and output products at the MSC.							
(D) Provide more current, complete and valid authorization data.							
(E) Increase availability of component items when needed for assembly provided that this is cost effective.							
24. (U) Approaches							
(A) Review applicable literature.							
(B) Do operational analysis to identify forms manually prepared by the item manager, reports/outputs handled by the MSC's and systems involved.							
(C) Investigate/analyze applicable major item systems for need.							
(D) Develop a concept to reduce manual inputs and provide a common MSC data base for the needed systems.							
(E) Identify reports/outputs that are non-essential or can be obviated by automation							
(F) Investigate and document current processes, identify short-comings, and develop solutions for the authorization data problem.							
(G) Investigate and document current processes, identify problems, and develop solutions as needed for the component item problem.							
(H) Write a study report that is suitable for use as A proponent guidance.							

^a Available to contractors upon originator's approval.

2-26

DD FORM 1498
1 MAR 66

PREVIOUS EDITIONS OF THIS FORM
AND 1498-1, 1 MAR 66 (FOR ARMY)

C-19

1 NOV 66

CONTINUATION SHEET:**TITLE: (U) Guidance for Major Items Management System (MIMS)****25. (U) Progress****Study Plan approved. Study in progress.**


DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPP	Task Force - "Study on Centralized Versus Decentralized Item Management Within HQ, ARRCOM."
TO SEE DISTRIBUTION	FROM DRSAR-PPP
	DATE 29 JUL 1977 CMT 1 Mr. Bixby/dnm/6414

1. Attached are copies of the following Task Force related documents:
 - a. Minutes of SAG meeting, 20 Jul 77, w/attached Agenda (Incl 1).
 - b. Task Force Membership List, 20 Jul 77 (Incl 2).
 - c. Minutes of PWG/TSG Meeting, 21 Jul 77, w/attached Attendees List (Incl 3).
 - d. Definitized Study Plan, 22 Jul 77 (Incl 4).
 - e. Definitized Milestones, 22 Jul 77 (Incl 1 to Incl 4).
 - f. Preliminary Survey Questionnaire, 20 Jul 77 (Incl 5).
2. The Preliminary Survey Questionnaire was distributed during the PWG/TSG meeting of 21 July, or hand-carried to the involved directorates/offices not represented at the meeting. It was requested that the questionnaire be completed and returned to the PWG (ATTN: Don Bixby, DRSAR-PPP) by COB 29 Jul 77.
3. In addition to submission of the questionnaire, it is requested that addressees provide the PWG with information as to any recent studies related to item management and/or centralization which have been conducted within this HQ or one of the directorates. Please provide study title, date, sponsor, and availability.

5 Incl
as


DONALD L. BIXBY
Chairman, Primary Working Group (PWG)
Task Force - Study on Centralized vs
Decentralized Item Management Within
HQ, ARRCOM

DISTRIBUTION:

DRSAR-AS (2)	DRSAR-LE	DRSAR-PC
DRSAR-CP (2)	DRSAR-MA	DRSAR-PD
DRSAR-DA	DRSAR-MM	DRSAR-PT (2)
DRSAR-DP	DRSAR-MS (2)	DRSAR-QA
DRSAR-IL	DRSAR-PA	DRSAR-SA (2)
DRSAR-IM		DRSAR-TM
DRSAR-IS		

CF:

DRSAR-PP, Mrs. Hansen (2)

C-21

TASK FORCE

STUDY ON CENTRALIZED VERSUS DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

MINUTES OF MEETING
20 JULY 1977

STUDY ADVISORY GROUP (SAG)

The initial meeting of the Study Advisory Group (SAG) was held 20 July 1977
in the DRSAR-PP Conference Room. Attendees were:

COL Kelley	DRSAR-AS	SAG
Mrs. Hansen	DRSAR-PP	SAG (chair)
Mr. McCune	DRSAR-MS	SAG
Mr. Micheals (Representing Mr. Rhian on SAG)	DRSAR-SA	SAG
Mr. Bixby	DRSAR-PPP	PWG (chair)
Mr. Piersel	DRSAR-PPM	PWG (vice-chair)
Mr. Flynn (Representing Mr. Logan on SAG)	DRSAR-PTF	PWG

Mrs. Hansen opened the meeting with a brief history of the tasking of this study, including a summary of the Peltier study on "Unbilled Shipments." The meeting then proceeded, in general, according to the attached agenda. Each item was discussed and the SAG provided guidance/direction to the PWG where appropriate. The SAG was generally in agreement with the Study Plan and with a revised milestone list provided by the PWG. Both of these documents will be definitized by the PWG within the next few days. The SAG concurred with the preliminary survey questionnaire prepared by the PWG. The following primary guidance/direction was provided by the SAG:

1. The study will, as indicated in the approved plan, focus on the alternative alignments for "Item Management" rather than an analysis of centralized versus decentralized management for the overall HQ, ARRCOM organization.

2. The formal title of this study will be "Study of Centralized Versus Decentralized Item Management Within HQ, ARRCOM."

3. The study scope will exclude IPE, the sale of TDP's, and the sale of "Services" from consideration as "Items." All other items of ARRCOM assigned material (including: Ammo and components, weapons and components, APE, gauges, instruments, tools and equipment, and DSA/GSA stocked items) are to be considered within the scope of this study.

4. The SAG concurred that the study must address the feasibility of any alternatives developed. The study must address the impacts of recommendations as well as the resources and a plan for implementation of those recommendations.

5. A tentative Task Force Membership List was submitted to the SAG for their review. Composition of the Task Force groups (SAG, PWG, and TSG) was agreed to with the exception that the PWG was considered to be too small to perform the tasks at hand and should be augmented by one or two additional members. Mr. McCune volunteered to provide a PWG member from the MS Directorate. It was suggested that PT and SA might be willing to provide another PWG member in addition to Mr. Flynn and Mr. Olson. It was also suggested that some tasks may have to be assigned to TSG members if the PWG workload becomes too great. Another source of augmentation to the PWG may be the utilization of summer training mobilization designees.

These possibilities will be explored by the PWG and a definitized Membership List developed.

6. The SAG approved the concept that the PWG would meet twice a week on a regular scheduled basis, more often if required. PWG members may generally work out of their home office except as convened for periods of full time effort in the development of alternatives, analysis of data, and preparation of the draft final report. The SAG concurred that regular scheduled meetings of the TSG were not necessary.

7. Two interim SAG meetings for review of study progress were added to the revised milestone list. The first interim meeting to be held approximately 1 Aug 77 following PWG definitization of study scope, methodology, factors, requirements, and data elements. The second interim meeting to be held approximately 1 Sep 77 following PWG development of alternatives, comparative analysis and impacts. The SAG will meet for a final review of the completed report, and again to dry run the briefing prior to submission of the report to the CG. Additional meetings may be called as necessary.

8. The SAG recommended that other Commodity Commands (such as TARCOM, MIRCOM, AVSCOM, etc.) should be queried as to similar problems and studies.

9. The SAG felt that other appropriate methodology would include: literature searches (prior studies, DDC, DLSIE, etc.); contacting "experts" (AMETA, other Commodity Commands, private industry, etc.); interviews and surveys within HQ, ARRCOM; modified DELPHI; and factor weighting/matrix analysis. Organizational computer-modeling, decision risks analysis and staffing were deemed inappropriate to this study (primarily because of time and resource limitations).

10. Staffing of the final report will be at the CG's discretion following 30 Oct 77 submission to Command. Submission to Command will be by desk-side briefing to the CG, as indicated in the approved plan.

11. The preliminary survey should be distributed to the following organizations:

DRSAR-AS

DRSAR-MS

DRSAR-CP

DRSAR-PA

DRSAR-DAS (MMG)

DRSAR-PC

DRSAR-IL

DRSAR-PD

DRSAR-IM

DRSAR-PP

DRSAR-IS

DRSAR-PT

DRSAR-JCAP

DRSAR-QA

DRSAR-LE

DRSAR-SA

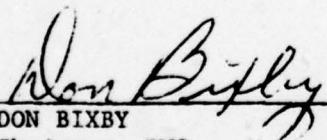
DRSAR-MA

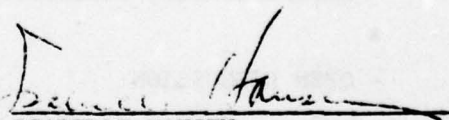
DRSAR-TM

DRSAR-MM

Prepared by:

Approved by:


DON BIXBY
Chairman, PWG


ISABELLE HANSEN
Chairwoman, SAG

TASK FORCE - Study on Centralized Versus Decentralized Item Management

A G E N D A

INITIAL STUDY ADVISORY GROUP (SAG) MEETING

(TASK FORCE - CENTRALIZED/DECENTRALIZED MANAGEMENT)

20 July 1977

- STUDY ORIGINATION/TASKING
- PROPOSED SCOPE OF STUDY
- STUDY TITLE
- TASK FORCE COMPOSITION
- MILESTONES & TIME FRAMES
- GROUP PARTICIPATION/MEETINGS
- METHODOLOGY
- ESSENTIAL ELEMENTS/FACTORS
- PRELIMINARY SURVEY
- ADMINISTRATIVE CONCERNS
- OPEN DISCUSSION
- GUIDANCE SUMMARY

TASK FORCE - CENTRAL/DECENTRALIZED MANAGEMENT

*Primary
**Consulting

July 20, 1977

TSC
Support Group

FWC
Working Group

SAG
Advisory Group

<u>ORGANIZATION</u>	<u>NAME</u>	<u>EXT</u>	<u>NAME</u>	<u>EXT</u>	<u>NAME</u>	<u>EXT</u>
DRSAR-PP	Isabelle Hansen (PP) (Chair)	4311/6894	*Don Bixby (PPP) (Chair)	6602/6414		
-AS	*COL Kelly (AS) Les Griffin (AS)	4671 4671	Tom Piersel (PPM) (Vice Chair)	4655/5760		*Alan Kieffer (ILP-R) 3537 Grover Tabler (ILE) 6726 Richard Harris (ILP) 4500
-CP	*COL Rife (CP) Bart Toohey (CPC)	5438 5956	*LTC P.C. Reynolds (ASP) A. Gustafson (ASP)	4919 4461		*Perry Picco (IMP-R) 5976 Ed Bruen (IMP-R) 5976
-IL			*Harry Rubin (CPP)	6667		*John Boland (ISS-S) 4788/4789 Harold Bracker 4788/4789
-IM			Bert McKenney (CPP)	6794		*Don Kotecki (LED) 5475 Claude Comer (LED) 5475
-IS						*Harold Cheek (MAP-R) 5307 Ed Vercelli (MAP-R) 6203
-LE						*Jim Knittel (MMP-S) 6268/6418 Terry Burke (MMP-P) 5106
-MA						*Arthur Wohlers (MSS) 6781/6961 Carl Schryver (MSS) 6781/6961
-MM						Harley Benson (PAP) 3164 Roland Welch (PCP-P) 6514
-MS	*Don McCune (MS)	5642/6642				Genevieve George (PCP-F) 6514 *Elwin Braman (PDP-E) 6506 Bob McDow (PDC-S) 3581
-PA						
-PC						
-PD						
-PT	*Roger Logan (PTF)	6217/5535	*Larry Flynn (PTF-U)	4811/6222		*Hugh Saunders (QAD) 4021-272 Bosko Stamenic (QAE) 4021-261
-QA						
-SA	*Pete Rhian (SA)	4628/4483	* S. Olson (SAL)	6583/5418		*Alvis Taylor (TM) 4710/4905 Darrel Fetter (TMA) 4904
-TM						
-DP	**R. Seeds (Consulting)					

TASK FORCE

STUDY ON CENTRALIZED VERSUS DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

MINUTES OF MEETING
21 July 1977

Initial Meeting of the Primary Working Group (PWG) and Technical Support Group (TSG).

Initial meeting of these two groups (PWG and TSG) was held jointly on 21 Jul 77 in the DRSAR-PP Conference Room. List of attendees is attached (Incl 1). The meeting was chaired by Mr. Bixby, DRSAR-PPP, Chairman of the PWG. A brief history of the purpose and tasking of this study was provided, followed by a summary of the 20 Jul 77 SAG meeting. The PWG/TSG meeting followed the same agenda as the SAG meeting. Copies of the Task Force Membership List were distributed to all attendees.

The TSG members were informed that this would probably be their only meeting as a group, though they would undoubtedly be called upon individually to attend various SAG meetings, PWG meetings, and discussion periods as applicable. They were further informed that they would be subject to tasking for individual efforts in support of the PWG, including preparation and submission of inputs relative to their directorates/offices. Written TSG inputs to the study, when requested by the PWG, are to be submitted in typed form. Since the PWG is limited in numbers but will perform the bulk of the study, timely and responsive efforts by the TSG members on assigned actions is imperative. A Preliminary Survey (questionnaire) was distributed to the TSG and PWG representatives, with request for completion and return to the PWG by COB Friday 29 Jul 77. Copies of the questionnaire will be hand carried to those directorates whose TSG/PWG members were not in attendance at this meeting. A copy will also be provided all Task Force directorates/offices by DF with distribution of the minutes of the meetings.

Following the joint TSG/PWG meeting, the PWG convened in the DRSAR-PPP office and began full-time study efforts. Attendees at the PWG meetings were:

21 July 1977

Mr. Bixby - PPP
Mr. Olson - SAL
Mr. Gustafson - ASF
Mr. Flynn - PTF
Mr. Cater - MSS

22 July 1977

Mr. Bixby
Mr. Olson
Mr. Gustafson
Mr. Flynn

During these meetings the PWG definitized the Study Plan and the Milestones, determined preliminary tasks, and made assignments for same. A copy of the definitized Study Plan and Milestones will also be provided with the distribution of the minutes of the SAG and PWG/TSG meetings.

Donald L. Bixby

DONALD L. BIXBY

DRSAR-PPP

Chairman of Primary Working Group

Task Force - Study on Centralized versus Decentralized Item Management

ATTENDEES

PWG/TSG MEETING 21 JULY 1977

<u>NAME</u>	<u>ORGANIZATION SYMBOL</u>	<u>PHONE EXTENSION</u>	<u>COPY OF SURVEY</u>
H. Saunders	DRSAR-QAD	4021	yes
* Stuart Olson	DRSAR-SAL	6583	yes
Harold F. Cheek	DRSAR-MAP-R	5307/6203	yes
Harley L. Benson	DRSAR-PA	3165/3164	yes
* E. Larry Flynn	DRSAR-PTF	4811/6222	yes
Roland Welch	DRSAR-PCP	6514	yes
Genevieve G. George	DRSAR-PCP	6514	no
John F. Boland	DRSAR-ISS	4788	yes
Harold H. Bracker	DRSAR-ISS-S	4788	no
E. F. Braman	DRSAR-PDP-E	6506	yes
Alan Kieffer	DRSAR-ILP-R	3537/3590	yes
Perry Picco	DRSAR-IMP-R	5976/3236	yes
James R. Knittel	DRSAR-MMP-S	4185/6268	yes
Terry Burke	DRSAR-MMP-P	5106/4797	no
Arthur W. Wohlers	DRSAR-MSS	6781/6961	yes
* Ken Cater	DRSAR-MSS-F	6617	yes
* A. H. Gustafson	DRSAR-ASP	4461	yes
* Don Bixby	DRSAR-PPP	6414	yes
John Kotecki	DRSAR-LED	5475	yes
* Tom Piersel	DRSAR-PPM	4655	no

* - PWG members. All others TSG.

DEFINITIZED STUDY PLAN

22 July 1977

TITLE/SUBJECT:

Analysis of Centralized versus Decentralized Item Management within HQ, ARRCOM.

1. REFERENCE:

HQ, ARRCOM study report "Review, Evaluation and Resolution of Delivered-Unbilled System Deficiencies," submitted to CG and approved 8 Jun 77.

2. STUDY REQUIREMENT:

The Commanding General has directed the conduct of this study as recommended in Paragraph 5.g, Annex F of Reference 1 report. The recommendation was:

"That a task force be formed to accomplish a study relative to centralized or decentralized management and item management within the Command and that the group be tasked to recommend adjustments to organization, mission functions, and personnel in accordance with determinations and findings."

3. STATEMENT OF PROBLEM:

The decentralized alignment of Item Manager functions with HQ, ARRCOM may be a contributing factor in the performance of ARRCOM's materiel management mission.

4. PURPOSE OF STUDY:

To examine the alternatives of centralized and decentralized Item/Materiel Management within HQ, ARRCOM. To perform an objective analysis of the alternatives and make recommendations as to the preferred alternative, functional alignments, and other actions determined by the study findings.

5. SCOPE:

The study will address:

- A. HQ, ARRCOM internal alignments only. External interfaces, as appropriate, will be considered.
- B. Item management of all types of ARRCOM assigned materiel/items, i.e.--ammunition, weapons, tools and equipment, gauges, APE, DSA/GSA Items, etc. (IPE, TDP Items and Service Line Items are excluded.)

- C. Item/materiel management only, i.e.--the alignment of item management functions within the HQ, ARRCOM organization; not a realignment of the overall HQ, ARRCOM functional organizations.
- D. The qualitative aspects of various alignment alternatives as the primary emphasis. The quantitative aspects of personnel realignments or reassignments will be considered as to the impact upon cost and performance of ARRCOM's materiel management mission.

6. OBJECTIVES:

The study will, as a minimum:

- A. Define item/materiel management.
- B. Define the criteria for "Item Management."
- C. Define the functions of an "Item Manager."
- D. Determine current organizational alignments and performance of these functions.
- E. Identify alternative alignments.
- F. Identify advantages and disadvantages of current and alternative alignments.
- G. Perform a comparative analysis of all alternatives (including current).
- H. Identify, with supporting rationale, the optimum/preferred alignment.
- I. Result in a recommended action or recommendation for Command review and decision.
- J. Provide impact analysis for the recommended action.

7. APPROACH:

The following methodology will be employed in the conduct of the study:

- A. Conduct literature research. This will include such sources as prior internal staff studies, TASS, DLSIE, DDC, AMETA, other Readiness Commands, private industry and educational institutions.

- B. Conduct internal surveys and questionnaires.
- C. Analyze survey results.
- D. Contact resident experts and Army consultants as appropriate.
- E. Gather data from ARRCOM functional areas.
- F. Categorize and analyze the items which are and those which are not under Item Management.
- G. Develop list of potential performance indicators.
- H. Analyze data gathered from functional areas and determine significant factors which influence performance.
- I. Develop alternatives.
- J. Compare alternatives.
- K. Develop impacts. Quantify cost and personnel impacts as necessary.
- L. Develop findings and recommendations.
- M. Draft final report.
- N. Present results to Command.

8. ASSUMPTIONS:

- A. The study will not result in a major organizational realignment.
- B. AR 5-5 and AMCR 10-1 will be complied with as applicable.

9. TIME FRAME AND MILESTONES:

A. Time Frame:

Overall time frame for conduct of study is estimated at four months. Based upon Command approval of study plan on 6 Jul 77, submission of formal study report to the Commanding General is targeted for 30 Oct 77.

B. MILESTONES:

A definitized schedule of significant actions and events, with dates, is attached as Inclosure 1.

10. ADMINISTRATION:

A. TASK FORCE:

The Task Force will be formed of three groups: A Study Advisory Group (SAG) to provide advice and guidance; a Primary Working Group (PWG) which will be the principal conductor of the study; and a Technical Support Group (TSG) to provide technical input and information on functional performance of item/materiel management. Detail of composition and criteria for these groups is attached as Inclosure 2.

11. ADMINISTRATION/SUPPORT:

Clerical and typing work for the Primary Working Group will be provided by DRSAR-PP. Technical Support Group members will secure clerical and typing support from their parent organizations when tasked for inputs to the study. Graphics and reproduction requirements are estimated to be minimal, and will be provided through DRSAR-PP. DRSAR-PP will provide space for the PWG, and make arrangements for SAG, PWG, and TSG meetings as required. The study will be conducted during normal working hours, and no overtime or TDY requirements are anticipated.

TASK FORCE - "Study of Centralized Versus Decentralized Item Management within
HQ, ARRCOM"

DEFINITIZED STUDY MILESTONES

21 July 1977

<u>DATE</u>	<u>ACTION/EVENT</u>
June 20	Receipt of Study Task.
June 20-22	Review prior study (on Unbilled Shipments).
June 22-24	Prepare and type Initial Study Plan.
June 27	Submit Initial Study Plan to CG.
July 6	Notification of CG approval of plan.
July 6-7	Prepare DF's for formation of Task Force/Group.
July 8	Submit tasking DF to CMD for CS signature.
July 12	Issue DF's for formation of Task Force.
July 13-19	Prepare for meetings of Task Force/Groups.
July 20	Initial SAG meeting (w/PWG Leaders).
July 21	Initial Task Force Meeting (SAG, PWG, TSG).
July 21	Convene PWG full time.*
July 21-22	PWG refine and definitize Study Plan, methodology. Determine and assign tasks (PWG/TSG).
July 25-29	Define study scope, factors, requirements, data elements.
July 25-29	Research, data gathering, etc.* Surveys, functional interviews, etc.* Quorum meetings of PWG as required.*
Aug 1-5	Research, data gathering, etc.* Surveys, functional interviews, etc.* Progress Review - SAG Meeting. Quorum meetings of PWG as required.*

<u>DATE</u>	<u>ACTION/EVENT</u>
Aug 8-12	Research, data gathering, etc.* Surveys, functional interviews, etc.* Quorum meetings of PWG as required.*
Aug 15-19	Research, data gathering, etc.* Surveys, functional interviews, etc.* Quorum meetings of PWG as required.*
Aug 15-19	Compilation and consolidation of data.*
Aug 22-26	Develop alternatives.*
Aug 29-Sep 2	Perform comparative analysis.* Develop impacts.* Progress Review - SAG Meeting
Sep 6-9	Develop findings, conclusions, recommendations.*
Sep 12-16	Prepare first draft of full study report.*
Sep 19-23	Draft study report in typing. Editing as required.*
Sep 26-30	Study verification, revision, support documentation.*
Oct 3-7	Review study with SAG. Revision as required.*
Oct 11-14	Prepare Briefing (graphics, etc.). Final study in typing.
Oct 17-21	Final study in reproduction. Prepare submittal documents. Brief final study report to SAG. Revise briefing as required.
Oct 25-28	Submit formal report to CG. Desk-side briefing.

COMPOSITION OF TASK FORCE

GROUP 1:

Study Advisory Group (SAG):

Small (4-5 people, plus leader).

Impartial (but may be "involved").

Should be Director/Office Chief level, or Deputy.

Tentative "source" of members:

DRSAR-PP -- Mrs. Hansen (Leader)

DRSAR-DP -- Mr. Seeds

DRSAR-PA --

DRSAR-SA --

DRSAR-AS --

DRSAR-CP --

DRSAR-MS --

DRSAR-PT --

This group should consist of selected, top-level ARRCOM staff who can provide guidance in at least two key areas:

1. Command Organization philosophy, and
2. ARRCOM Item Management responsibilities and interfaces.

They will meet periodically with representatives of the Primary Working Group to review study progress and provide advice or guidance as required. They will, as a minimum, meet with the Primary Working Group upon formal initiation of the study, and subsequently, prior to submission of final study report to the Command.

GROUP 2:

Primary Working Group (PWC):

Small (4-5 people, plus leader).

"Disinterested/Impartial" (from Organizational elements without Item Managers.)

Tentative "source" of members:

DRSAR-PPP -- Leader (Mr. Bixby)
DRSAR-PPM -- Vice Leader (Tom Piersel)
DRSAR-PAP --
DRSAR-SA --
DRSAR-PTF/PTO --
DRSAR-CPP --
DRSAR-MSP --
DRSAR-LEP --
DRSAR-ASP --

This group should consist of members knowledgeable in at least two key areas:

1. ARRCOM functional operations (overall logistics and management of our items), and
2. Organizational/Management Concepts.

This group will be the principal conductors of the study. They will meet on a regular basis, as required, up to full time.

GROUP 3:

Technical Support Group (TSG):

At least one representative and one alternate from each Directorate/Office with "Item Managers" or direct involvement under the existing organization. Tentative "source" of members:

*DRSAR-IL --
*DRSAR-MA --
*DRSAR-MM --
*DRSAR-PD --
*DRSAR-QA --

DRSAR-AS --

DRSAR-IM --

DRSAR-LE --

DRSAR-PC --

DRSAR-MS --

DRSAR-TM --

*(Principal, have "Item Managers")

This group should consist of members who have solid knowledge of their organization's functional operations, especially in the area of item management. They will provide technical input and data to the Primary Group, and must be able to represent their organization's policy, procedures, and philosophies in item management. They will not meet regularly but will be called upon, separately or jointly, as required. They may be individually tasked to accomplish a specific element of the study, or provide data or other study inputs.

TASK FORCE
-
"Centralized/Decentralized Management"
TECHNICAL SUPPORT GROUP (TSG)
PRELIMINARY SURVEY

DIRECTORATE: _____

DATE: _____

1. What is your directorate definition of:
Item? _____ Material (Materiel)? _____
Major Item? _____ Commodity? _____
Secondary Item? _____ Component? _____
2. How does your directorate view (define) item/material management?
3. What is your directorate's definition of an "Item Manager"?
4. What are the functions and responsibilities of an "Item Manager"?
(Please be as specific as possible.)
5. What are the critical/essential functions and responsibilities?
(I.E. - those which are the minimum criteria for a title of "Item Manager".)
6. What item/material management functions and responsibilities currently exist within your directorate?
7. Who performs them? (How many people, at what grade, and position/specialty?)
8. Does any one individual perform all, or at least the minimum critical/essential functions?
9. How many people; and which functions?
10. Does your directorate have any individuals identified as "Item Manager"?
11. How many? Which functions are performed?
12. If not, how are they identified? How many people; and which functions?
13. How are these functions/responsibilities performed within your directorate; i.e., what procedures, regulations, forms, reports, etc. are utilized?

14. How is your directorate organized for the performance of these functions/ responsibilities; i.e., functionally or by item (commodity)?
15. What items, material, or commodity are "managed" by your directorate?
16. How does your directorate view the HQ, ARRCOM mission; i.e., is it functional or commodity oriented, and why?
17. How does your directorate view the HQ, ARRCOM organizational alignment; i.e., is it basically centralized or decentralized, and why?
18. Which should it be? Why?
19. What factors and impacts should be considered in addressing centralized versus decentralized item management?
20. Additional Comments.

This is a survey, and should not be considered as an official "Position Paper." It should, however, reflect the overall viewpoint of your directorate and have the director's concurrence.

Signed: _____

Director, or Point of Contact

Date

DISPOSITION FORM

For use of this form, see AR 340-13, the proponent agency is TAGCEN.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPP	Task Force - Study on Centralized or Decentralized Management and Item Management
TO SEE DISTRIBUTION	FROM DRSAR-PPP
	DATE 15 JUL 1977 CMT 1 Mr. Bixby/dnm/6414

1. Reference is made to DF from DRSAR-CS, 11 Jul 77, SAB.
2. The initial meeting of the Primary Working Group (PWG) and Technical Support Group (TSG), scheduled for 1300 hours per paragraph 6 of referenced DF, is rescheduled to 1000 hours 21 Jul 77, in DRSAR-PP Conference Room.
3. The initial meeting of the Study Advisory Group (SAG) remains as scheduled at 1300 hours, 20 Jul 77.

Donald Bixby
DONALD BIXBY
General Engineer
Advance Plans Division

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DRSAR-TM

C-42

DA FORM 2496
1 FEB 62

REPLACES DD FORM 96, WHICH IS OBSOLETE.

U.S. G.P.O. 1976-665697/1018

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

S-15 Jul 77

REFERENCE OR OFFICE SYMBOL

SUBJECT

DRSAR-PP

Task Force - Study on Centralized or Decentralized
Management and Item Management

TO SEE DISTRIBUTION

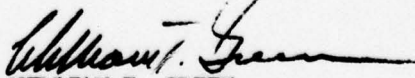
FROM DRSAR-CS

DATE 11 JUL 1977 CMT 1
Mr. Bixby/dnm/6414

1. Reference is made to attached study plan "Analysis of Centralized versus Decentralized Item Management within HQ, ARRCOM," Inclosure 1.
2. The Commanding General approved the plan for conduct of subject study 5 Jul 77. DRSAR-PP has been tasked with the study responsibility. The approved plan calls for the establishment of three groups to constitute the study Task Force. Mrs. Hansen, DRSAR-PP, will chair the Study Advisory Group (SAG). Mr. Bixby, DRSAR-PPP, will chair the Primary Working Group (FWG). The Technical Support Group (TSG) will have no designated leader, but will respond to the FWG as required.
3. The potential impacts of this study are such that fully qualified individuals must be selected to represent your directorate/office to be members on the appropriate Task Force groups. The criteria for membership is provided at inclosure 2 to the referenced study plan.
4. You are hereby requested to designate appropriate individuals to serve as members on the Task Force groups as applicable. Organizational composition of each group, and suggested names of individuals for the SAG and FWG are provided at inclosure 2. The name and telephone extension of your designated members will be provided to Mr. Bixby, DRSAR-PPP, Extension 6602/6414, NLT COB 15 Jul 77.
5. The initial meeting of the Study Advisory Group will be held at 1300 hours, 20 Jul 77 in the DRSAR-PP Conference Room, 5th floor, bldg. 350.
6. The initial meeting of the FWG and TSG groups will be held at 1300 hours, 21 Jul 77 in the DRSAR-PP Conference Room.
7. Your attention is invited to the referenced study plan and tentative milestone list (Incl 1 to Incl 1). The CG's approval of the plan included an extension of the target submission date to 30 Oct 77. Milestones will be adjusted accordingly.

2 Incl

1. Study Plan, w/Incls.
2. Group Compositions


WILLIAM T. GREEN
Colonel, GS
Chief of Staff

DISTRIBUTION:

DRSAR-AS
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C-43

DRSAR-PP

SUBJECT: Task Force - Study on Centralized or Decentralized
Management and Item Management

DRSAR-IL

DRSAR-IM

DRSAR-IS

DRSAR-LE

DRSAR-MA

DRSAR-MM

DRSAR-MS

DRSAR-PA

DRSAR-PC

DRSAR-PD

DRSAR-PP

DRSAR-PT

DRSAR-QA

DRSAR-SA

DRSAR-TM

GROUP COMPOSITIONS
Task Force for Study on Centralized or
Decentralized Management and Item Management

The following organizations and named individuals are suggested as being appropriate for composition of the Task Force Groups:

1. Study Advisory Group (SAG):


<u>Organization</u>	<u>Individual</u>
DRSAR-PP	Mrs. Hansen (Chairperson)
DRSAR-AS	COL Kelley or Mr. Griffin
DRSAR-CP	COL Rife or Mr. Toohey
DRSAR-DP	Mr. Seeds
DRSAR-PT	COL Runion or Mr. Logan
DRSAR-SA	Mr. Rhian

2. Primary Working Group (PWG):

<u>Organization</u>	<u>Individual</u>
DRSAR-PPP	Mr. Bixby (Chairperson)
DRSAR-PPM	Mr. Piersel (Vice Chairperson)
DRSAR-AS	Mr. Long or Mr. James
DRSAR-CP	Mr. Bromell or Mr. Slingsby
DRSAR-LE	Mr. Bender
DRSAR-PA	Mr. Benson
DRSAR-PT	Mr. Hoffman or Mr. Sorrell
DRSAR-SA	Mr. Olson

3. Technical Support Group (TSG):

At least one fully qualified individual, and an alternate, to be designated from each of the following directorates/offices: DRSAR-IL, DRSAR-IM, DRSAR-IS, DRSAR-LE, DRSAR-MA, DRSAR-MM, DRSAR-MS, DRSAR-PD, DRSAR-QA, DRSAR-TM, DRSAR-PC.

SUMMARY SHEET		
THRU:	FROM: DRSAR-PP	NAME, GRADE & EXTENSION OF ACTION OFFICER B-2 7/7/77 Mr. Bixby/GS-13/6414
TO: DRSAR-CS		
OFFICE SYMBOL: DRSAR-PPP	SUBJECT: Task Force - Study on Centralized or Decentralized Management and Item Management	DATE 9 Jul 77
<p>1. PURPOSE: This DF will establish the Task Force necessary to conduct the subject study.</p> <p>2. DISCUSSION:</p> <p>a. A prior study, "Review, Evaluation, and Resolution of Delivered-Unbilled System Deficiencies," approved by the CG 8 Jun 77, recommended that a Task Force be established to conduct a study on centralized or decentralized management and item management.</p> <p>b. DRSAR-PP was tasked with the responsibility for conduct of the subject study by DF from the CS, 14 Jun 77 (TAB A).</p> <p>c. Initial Study Plan was submitted to Command 27 Jun 77 and approved by the CG (TAB B).</p> <p>d. Because of the potential impacts of the findings of this study in terms of functional and/or personnel realignments, it is felt that Command emphasis should be placed upon the composition of the Task Force and selection of members to the various Groups.</p> <p>e. For this reason a suggested list of names has been provided, and the DF prepared for the Chief of Staff's signature.</p> <p>3. CONCLUSION: This DF, with signature of the CS, will provide necessary Command emphasis and result in the selection of fully qualified individuals to serve on the study Task Force.</p> <p>4. RECOMMENDATION: That CS sign the DF for Command emphasis.</p>		
<p>2 Incl as</p> <p>COORDINATION: None required</p>		
<p style="text-align: right;">  ISABELLE HANSEN Chief, P&P Policy and Plans Office </p>		

C-46

DRSAR-PPP (14 Jun 77)

SUBJECT: Task Force--Centralized or Decentralized Management and Item Management

THRU DRSAR-CG *[Signature]*

FROM DRSAR-PP

DATE 27 JUN 77 CMT 2
Mr. Bixby/dnm/6414

TO DRSAR-CG

1. Plan for conduct of subject study is submitted per CMT 1 request.(Incl 1).
2. Targeted 30 Sep 77 study submission date differs from the 1 Sep 77 date recommended by the Task Force for Unbilled Shipments for the following reasons:

a. The functional organizations and personnel from whom input data will be gathered for this study will be involved in end-of-fiscal-year actions at precisely the same time as the planned study.

b. Additionally, the study will be conducted during the normally heavy summer leave usage period.

c. The very nature of the study, which addresses potential personnel realignments, is expected to complicate the gathering of data and resolution of questions.

d. Development of specific actions and events for this study plan resulted in a projected date of 30 Sep 77.

3. Signature block is provided below for CG's approval of this study plan.

1 Incl
as

[Signature]
ISABELLE HANSEN
Chief, P&P Policy and Plans Office

CF:
DRSAR-IL

Approved: *[Signature]*
MG Eicher, CG, ARRCOM

[Signature] 5 July 77
(Date)

Comments:

INITIAL STUDY PLAN

27 June 1977

TITLE/SUBJECT:

Analysis of Centralized versus Decentralized Item Management within
HQ, ARRCOM.

1. REFERENCE:

HQ, ARRCOM study report "Review, Evaluation and Resolution of
Delivered-Unbilled System Deficiencies," submitted to CG and approved
8 Jun 77.

2. STUDY REQUIREMENT:

The Commanding General has directed the conduct of this study as
recommended in Paragraph 5.g, Annex F of Reference 1 report. The
recommendation was:

"That a task force be formed to accomplish a study relative to
centralized or decentralized management and item management within
the Command and that the group be tasked to recommend adjustments
to organization, mission functions, and personnel in accordance
with determinations and findings."

3. STATEMENT OF PROBLEM:

The decentralized alignment of Item Manager functions with HQ,
ARRCOM may be a contributing factor in the performance of ARRCOM's
materiel management mission, as evidenced by a high level of
unbilled shipments of materiel.

4. PURPOSE OF STUDY:

To examine the alternatives of centralized and decentralized
Item/Materiel Management with HQ, ARRCOM. To perform an

objective analysis of the alternatives and make recommendations as to the preferred alternative, functional alignments, and other actions determined by the study findings.

5. SCOPE:

The study will address:

- A. HQ, ARRCOM internal alignments only.
- B. Item management of all types of ARRCOM assigned materiel/items, i.e.--ammunition, weapons, tool sets, gauges, APE, etc.
- C. Item/materiel management only, i.e.--the alignment of item management functions within the HQ, ARRCOM organization; not a realignment of the overall HQ, ARRCOM functional organizations.
- D. The qualitative aspects of various alignment alternatives as the primary emphasis. The quantitative aspects of personnel realignments or reassignments will be considered as to the impact upon cost and performance of ARRCOM's materiel management mission.

6. OBJECTIVES:

The study will, as a minimum:

- A. Define item/materiel management.
- B. Define the functions of an "Item Manager."
- C. Determine current organizational alignments and performance of these functions.
- D. Identify alternative alignments.
- E. Identify advantages and disadvantages of current and alternative alignments.

- F. Perform a comparative analysis of all alternatives (including current).
 - G. Identify, with supporting rationale, the optimum/preferred alignment.
 - H. Result in a recommended action or recommendation for Command review and decision.
 - I. Provide impact analysis for the recommended action.
7. ASSUMPTIONS:
- None
8. TIME FRAME AND MILESTONES:
- A. Time Frame:

Overall time frame for conduct of study is estimated at three months. Assuming Command approval of study plan by 1 Jul 77, submission of formal study report to the Commanding General is targeted for 1 Oct 77.
 - B. MILESTONES:

A tentative schedule of significant actions and events, with dates, is attached as Inclosure 1.
9. ADMINISTRATION:
- A. TASK FORCE:

The Task Force will be formed of three groups:

A Study Advisory Group (SAG) to provide advice and guidance; a Primary Working Group (PWG) which will be the principal conductor of the study; and a Technical Support Group (TSG) to provide technical input and information on functional performance of item/materiel management. Detail of

composition and criteria for these groups is attached as Inclosure 2.

10. ADMINISTRATION/SUPPORT:

Clerical and typing work for the Primary Working Group will be provided by DRSAR-PP. Technical Support Group members will secure clerical and typing support from their parent organizations when tasked for inputs to the study. Graphics and reproduction requirements are estimated to be minimal, and will be provided through DRSAR-PP. DRSAR-PP will provide space for the FWG, and make arrangements for SAG, FWG, and TSG meetings as required. The study will be conducted during normal working hours, and no overtime or TDY requirements are anticipated.

TENTATIVE MILESTONES

<u>DATE</u>	<u>ACTION/EVENT</u>
June 20-22	Review prior study (on Unbilled Shipments).
June 22-24	Prepare and type Initial Study Plan.
June 27	Submit Initial Study Plan to CG.
June 29	Assume notification of CG approval of plan.
June 30	Prepare DF's for formation of Task Force/Group.
July 1	Issue DF's.
July 5-6	Prepare for meetings of Task Force/Groups.
July 7	Initial SAG meeting (w/PWG Leaders).
July 8	Initial Task Force meeting (SAG, PWG, TSG).
July 11	Convene PWG full time.*
July 11-12	PWG refine and definitize Study Plan. Determine and assign tasks.
July 14-29	Data gathering, functional interviews, etc.* Quorum meetings of PWG as required.*
Aug 1-5	Compilation and consolidation of data.*
Aug 8-12	Develop alternatives.*
Aug 15-19	Perform comparative analysis, develop impacts.*
Aug 22-26	Develop findings, conclusions, recommendations.*
Aug 29-2	Prepare first draft of full study report.
Sep 6-9	Study report in typing. Editing as required.*
Sep 12-16	Review study with SAG. Revision as required.*
Sep 19-23	Prepare Briefing (graphics, etc.). Final Study in typing.

Sep 26-30 Brief final study, report to SAG.

Revise briefing as required.

Final study in reproduction.

Prepare submittal documents.

Sep 30 Submit formal report to CG. Deskside briefing.

*(TSG support and input as required).

COMPOSITION OF TASK FORCE

GROUP 1:

Study Advisory Group (SAG):

Small (4-5 people, plus leader).

Impartial (but may be "involved").

Should be Director/Office Chief level, or Deputy.

Tentative "source" of members:

DRSAR-PP -- Mrs. Nansen (Leader)

DRSAR-DP -- Mr. Seeds

DRSAR-PA --

DRSAR-SA --

DRSAR-AS --

DRSAR-CP --

DRSAR-MS --

DRSAR-PT --

This group should consist of selected, top-level ARRCOM staff who can provide guidance in at least two key areas:

1. Command Organization philosophy, and
2. ARRCOM Item Management responsibilities and interfaces.

They will meet periodically with representatives of the Primary Working Group to review study progress and provide advice or guidance as required. They will, as a minimum, meet with the Primary Working Group upon formal initiation of the study and, subsequently, prior to submission of final study report to the Command.

GROUP 2:

Primary Working Group (PWG):

Small (4-5 people, plus leader).

"Disinterested/Impartial" (from Organizational elements without Item Managers.)

Tentative "source" of members:

DRSAR-PPP -- Leader (Mr. Bixby)

DRSAR-PPM -- Vice Leader (Tom Piersel)

DRSAR-PAP --

DRSAR-SA --

DRSAR-PTF/PTO --

DRSAR-CPP --

DRSAR-MSP --

DRSAR-LEP --

DRSAR-ASP --

This group should consist of members knowledgeable in at least two key areas:

1. ARRCOM functional operations (overall logistics and management of our items), and
2. Organizational/Management Concepts.

This group will be the principal conductors of the study. They will meet on a regular basis, as required, up to full time.

GROUP 3:

Technical Support Group (TSG):

At least one representative and one alternate from each Directorate/Office with "Item Managers" or direct involvement under the existing organization. Tentative "source" of members:

* DRSAR-IL --

*DRSAR-MA --

*DRSAR-MM --

*DRSAR-PD --

*DRSAR-QA --

DRSAR-AS --

DRSAR-IM --

DRSAR-LE --

DRSAR-PC --

DRSAR-MS --

DRSAR-TM --

(*Principal, have "Item Managers")

This group should consist of members who have solid knowledge of their organization's functional operations, especially in the area of item management. They will provide technical input and data to the Primary Group, and must be able to represent their organization's policy, procedures, and philosophies in item management. They will not meet regularly but will be called upon, separately or jointly, as required. They may be individually tasked to accomplish a specific element of the study, or provide data or other study inputs.

DISPOSITION FORM

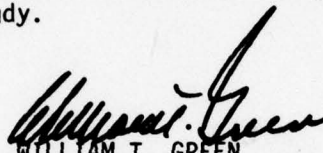
For use of this form, see AR 340-15; the proponent agency is The Adjutant General's Office.

S-27 June 1977

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-IL	Task Force--Centralized or Decentralized Management and Item Management
TO Chief, DRSAR-PP	FROM DRSAR-CS
	DATE 14 JUN 1977 CMT 1
	Dr. Peltier/jl/5324

1. At the 23 May briefing for the Commanding General relative to delivered-unbilled system deficiencies, the Commanding General approved the report of the Shipped-Unbilled Working Group. You are tasked to conduct the study recommended in Paragraph g, Annex F of this report.

2. It is requested that you prepare and submit to the Commanding General by 27 June 1977 your plan for the conduct of this study.


WILLIAM T. GREEN
Colonel, GS
Chief of Staff

CF:

DRSAR-PD
DRSAR-PC
DRSAR-MM
DRSAR-MA
DRSAR-CP
DRSAR-QA
DRSAR-MS
DRSAR-TM
DRSAR-SA
DRSAR-CG RF

C-57

DA FORM 2496
1 FEB 68

REPLACES DD FORM 98, EXISTING SUPPLIES OF WHICH WILL BE
ISSUED AND USED UNTIL 1 FEB 68 UNLESS SOONER EXHAUSTED.

GPO : 1968 O - 285-000

APPENDIX D

DEFINITIONS

AND

ACCRONYMS

APPENDIX D

DEFINITIONS

INTRODUCTION

The purpose of this appendix is to define the meaning of words and terms as used in this study. A review of official military publications indicates that many terms used within these pertinent publications and within this headquarters are non-specific and vary between publications. This variance necessitates a clear definition of certain terms within the context of this study. These definitions may vary from those in official publications but govern in so far as this report is concerned. The parenthetical notation at the end of each definition indicates the major source of the definition. AR 310-25, Dictionary of United States Army Terms and JCS Pub I, Dictionary of Military and Associated Terms, govern for specific terms not defined within this appendix. Annex 1 to this appendix provides the rationale for selection of the definition of specific terms.

(The list of acronyms is provided as a convenience and to avoid any misinterpretation of terms. These acronyms may vary from official definition but govern in so far as this report is concerned.)

DEFINITIONS OF TERMS

Centralized* Item/inventory management within DRSAR would be under one control (i.e., all item/inventory managers and their functions would be located in and work for one directorate).

*NOTE: Decentralized in terms of the item/inventory management could also define centralized in terms of commodity or items. However, for the purpose of the task force, the definition shall only apply to decentralized by item inventory management. (STUDY GROUP)

Decentralized The responsibility for the functions of inventory management and items managed would be spread between several directorates. Directorates would perform all or most of the functions of inventory control for items defined as being in their functional area. Inventory managers would be located in different directorates. The current organization of Inventory Management in this headquarters is decentralized. (STUDY GROUP)

Item Any article, part, kit, component, tool, assembly or quantity of bulk material which may be uniquely identified, categorized, catalogued, procured, issued or sold. (STUDY GROUP)

Item/Inventory Management A major function of total materiel management. Inventory management integrates materiel acquisition, allocation and disposal processes. At the NICP (wholesale) level, inventory management is accomplished by coordinating and controlling the functions of cataloging, requirements determination, procurement direction, distribution direction, overhaul and rebuild direction, and materiel use and disposal direction. The terms "item management", "inventory management", "supply management" and "inventory control" are considered to be synonymous. (STUDY GROUP)

Item/Inventory Manager An individual within the organization of an inventory control point or other such organization who for one or more specific items of material performs, as required, the six basic functional elements of item/inventory management which are:

1. Catalog direction: Initiation of actions for the timely identification of items and the preparation of manuals incident to the cataloging of items.

2. Requirements determination: Computation of quantitative requirements.

3. Procurement direction: Authorization, within limitations of approved programs, to require procurement.

4. Distribution management: Asset position knowledge and control of stocks that are in, due into, or planned for the distribution system on a quantitative and monetary basis.

5. Maintenance (overhaul/rebuild) direction: Authorization for requiring disposal and proper utilization of excess stocks prior to disposal.
(JCS PUB I)

Manage To direct, plan, develop, organize, guide, coordinate and control all aspects of execution and all resources available to achieve objectives. To administer in the broadest sense of overall control. (This verb implies responsibility for all aspects of an operation or activity.) (ARRCOMR 10-1) In context of this study, manage is defined as the six basic functions of an item/inventory manager.

Materiel (material) All items necessary for the equipment, maintenance, operation and support of military activities without distinction as to their application for administrative or combat purposes. (JCS PUB I)

Materiel Management The management of items of supply consisting of the functions of cataloging, requirements computation, procurement, distribution, stock control and accountability, depot storage and issue, maintenance engineering, depot maintenance, disposal and budgeting. (AR 780-1)

For the purpose of this study, materiel management is the general term for overall management of supplies. Item/inventory management is a major function of materiel management, however, materiel management is more general in nature. It must be noted that JCS PUB I defines materiel management as inventory control.

Principal Items End items and replacement assemblies of such importance that management techniques require centralized individual item management throughout the supply system to include depot level, base level, and items in the hands of using units. These specifically include the items where, in the judgement of the Department of the Army, there is a need for central inventory control including centralized computation of requirements, central direction of distribution and central knowledge and control of all assets owned by the Department of the Army. Principal items is synonymous with Primary Item and Major Item. (AR 310-25)

Production The conversion of raw materials into products and/or components through a series of manufacturing processes. It includes function of production engineering, control, quality assurance and the determination of resources requirements. (JCS PUB I)

Secondary Item End items, replacement assemblies, parts and consumables other than principal items. (AR 310-25)

APPENDIX D

LIST OF ACRONYMS

AAO-----AUTHORIZED ACQUISITION OBJECTIVE
AAP-----ARMY AMMUNITION PLANT
ACMS-----ARMY COMMAND MANAGEMENT SYSTEM
ADP-----AUTOMATIC DATA PROCESSING
AIF-----ARMY INDUSTRIAL FUND
ALMC-----ARMY LOGISTICS MANAGEMENT CENTER
ALMSA-----AUTOMATED LOGISTICS MANAGEMENT SYSTEMS ACTIVITY
ALPHA-----AMC LOGISTICS PROGRAM HARDWARE AUTOMATED (NOW CCSS)
AMDF-----ARMY MASTER DATA FILE
AMETA-----ARMY MANAGEMENT ENGINEERING TRAINING ACTIVITY
AMF-----AMMUNITION MANAGEMENT FUND; ARMY MANAGEMENT FUND (OBSOLETE TERM)
AMP-----ARMY MATERIEL PLAN
APA-----ARMY PROCUREMENT APPROPRIATION (FORMERLY PEMA)
APARS-----ARMY PROCUREMENT APPROPRIATION MANAGEMENT AND REPORTING SYSTEM
APE-----AMMUNITION PECULIAR EQUIPMENT
ARMS-----AUTOMATED READINESS MANAGEMENT SYSTEM
ASF-----ARMY STOCK FUND
ASPR-----ARMED SERVICES PROCUREMENT REGULATION
AUTODIN---AUTOMATIC DIGITAL NETWORK
CAMERA-----COMMAND MANAGEMENT REVIEW AND ANALYSIS
CCSS-----COMMODITY COMMAND STANDARD SYSTEM
CCSSOI-----COMMODITY COMMAND STANDARD SYSTEM OPERATING INSTRUCTION
CIMM-----COMMODITY INTEGRATED MATERIEL MANAGEMENT
CISS-IL---CENTRALIZED INTEGRATED SYSTEM-INTERNATIONAL LOGISTICS
CMDN-----CATALOGING MANAGEMENT DATA NUMBER
COCO-----CONTRACTOR-OWNED, CONTRACTOR-OPERATED
COCOP-----CUSTOMER ORDER CONTROL POINT
CSCSC-----COST SCHEDULE CONTROL SYSTEMS CRITERIA
CSP-----CONCURRENT SPARE PARTS
DA-----DEPARTMENT OF THE ARMY; DEFENSE AMMUNITION
DAAS-----DEFENSE AUTOMATIC ADDRESSING SYSTEM
DDC-----DEFENSE DOCUMENTATION CENTER
DIDS-----DEFENSE INTEGRATED DATA SYSTEMS
DLA-----DEFENSE LOGISTICS AGENCY (FORMERLY DSA)
DLCS-----DEFENSE LOGISTICS CATALOGING SYSTEM
DLSC-----DEFENSE LOGISTICS SERVICES CENTER
DLSIE-----DEFENSE LOGISTICS STUDIES INFORMATION EXCHANGE
DN-----DRAWING NUMBER
DPO-----DEVELOPMENT PROJECT OFFICER
DSA-----DEFENSE SUPPLY AGENCY (NOW DLA)
EIP-----END ITEM PARAMETER
FAD-----FINANCIAL ACCOUNTING DATA; FUNDING AUTHORIZATION DOCUMENT
FAR-----FINANCIAL ACCOUNTS RECEIVABLE FILE (CCSS)
FAT-----FINAL ACCEPTANCE TEST
FATE-----FINAL ACCEPTANCE TEST EQUIPMENT
FIA-----FINANCIAL INVENTORY ACCOUNTING
FIIG-----FEDERAL ITEM IDENTIFICATION GUIDE

FMS-----FOREIGN MILITARY SALES
 FSC-----FEDERAL SUPPLY CLASS
 FSD-----FOREIGN SOURCE DEPENDENCY
 FSN-----FEDERAL STOCK NUMBER (NOW NSN)
 GFE-----GOVERNMENT FURNISHED EQUIPMENT
 GFM-----GOVERNMENT FURNISHED MATERIAL
 GOCO-----GOVERNMENT-OWNED, CONTRACTOR-OPERATED
 GOGO-----GOVERNMENT-OWNED, GOVERNMENT-OPERATED
 GSA-----GENERAL SERVICES ADMINISTRATION
 IM-----ITEM/INVENTORY MANAGER
 IMCC-----ITEM MANAGEMENT CONTROL CODE
 IPE-----INDUSTRIAL PLANT EQUIPMENT
 LOGMAP----ARMY LOGISTICS SYSTEM MASTER PLAN
 LOI-----LETTER OF INSTRUCTION
 MAAG-----MILITARY ASSISTANCE ADVISORY GROUP
 MAD-----MATERIEL ACQUISITION AND DELIVERY
 MADISS----MAD FILE RECORD OF PROCUREMENT WORK DIRECTIVES ISSUED (CCSS)
 MAP-----MILITARY ASSISTANCE PROGRAM
 MCN-----MANAGEMENT CONTROL NUMBER (MAY BE USED IN CCSS IN LIEU OF NCN)
 MDR-----MASTER DATA RECORD
 MILSCAP---MILITARY STANDARD CONTRACT ADMINISTRATION PROCEDURES
 MILSTAMP--MILITARY STANDARD TRANSPORTATION AND MOVEMENT PROCEDURES
 MILSTEP---MILITARY SUPPLY AND TRANSPORTATION EVALUATION PROCEDURES
 MILSTRAP--MILITARY STANDARD TRANSACTION REPORTING AND ACCOUNTING PROCEDURES
 MILSTRIP--MILITARY STANDARD REQUISITIONING AND ISSUE PROCEDURES
 MIPR-----MILITARY INTERDEPARTMENTAL PURCHASE REQUEST
 MMF-----MILSCAP MASTER FILE (CONTRACT DATA)
 MRC-----MATERIEL REQUEST CHANGES: MATERIEL RELEASE CONFIRMATION
 MRHS-----MATERIEL REQUEST HISTORY AND STATUS FILE (CCSS)
 MRO-----MATERIEL RELEASE ORDER
 MSF-----MILSCAP SUSPENSE FILE
 MTOE-----MODIFICATION TABLE OF ORGANIZATION AND EQUIPMENT
 NICP-----NATIONAL INVENTORY CONTROL POINT
 NIIN-----NATIONAL ITEM IDENTIFICATION NUMBER
 NSN-----NATIONAL STOCK NUMBER
 NSNMDR----NATIONAL STOCK NUMBER MASTER DATA RECORD
 OMA-----OPERATION AND MAINTENANCE, ARMY
 PAA-----PROCUREMENT OF AMMUNITION, ARMY
 PCO-----PROCURING CONTRACTING OFFICER
 PEMA-----PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY (NOW APA)
 PHR-----PROCUREMENT HISTORY REFERENCE
 PICA-----PRIMARY INVENTORY CONTROL ACTIVITY
 PM-----PROJECT, PROGRAM, OR PRODUCT MANAGER
 PMDR-----PROVISIONING MASTER DATA RECORD
 PN-----PART NUMBER
 POR-----PURCHASE ORDER REQUEST
 PRON-----PROCUREMENT REQUEST ORDER NUMBER
 PWD-----PROCUREMENT WORK DIRECTIVE
 PWG-----PRIMARY WORKING GROUP
 QAT-----QUALITY ASSURANCE TEST

REFNO----REFERENCE NUMBER FILE (CCSS)
 RPO-----READINESS PROJECT OFFICER
 RPSTL----REPAIR PARTS AND SPECIAL TOOLS LIST
 SAD-----STATION ADDRESS DIRECTORY
 SAG-----STUDY ADVISORY GROUP
 SAILS----STANDARD ARMY INTERMEDIATE LEVEL SUPPLY SUBSYSTEM
 SAIMS----SELECTED ACQUISITIONS INFORMATION AND MANAGEMENT SYSTEMS
 SALS-----STANDARD ARMY LOGISTICS SYSTEM
 SAMPAM---SYSTEM FOR AUTOMATION OF MATERIEL PLANS FOR ARMY MATERIEL
 SASS-----STANDARD ARMY SUPPLY SYSTEM
 SCR-----SYSTEM CHANGE REQUESTS
 SDS-----STANDARD DEPOT SYSTEM (FORMERLY SPEEDX)
 SDT-----SECOND DESTINATION TRANSPORTATION
 SICA-----SECONDARY INVENTORY CONTROL ACTIVITY
 SICC-----SERVICE ITEM CONTROL CENTER
 SM-----SINGLE MANAGER FOR CONVENTIONAL AMMUNITION
 SPN-----SHIPMENT PERFORMANCE NOTICE: SHORT PART NUMBER
 SRF-----STANDARD REJECT FILE
 SSA-----SUPPLY SUPPORT ARRANGEMENTS
 TA-----TABLE OF ALLOWANCE
 TASS-----THE ARMY STUDY SYSTEM
 TDA-----TABLES OF DISTRIBUTION AND ALLOWANCES
 TOP-----TECHNICAL DATA PACKAGE
 TMDE-----TEST MEASUREMENT AND DIAGNOSTIC EQUIPMENT
 TOE-----TABLE OF ORGANIZATION AND EQUIPMENT
 TSG-----TECHNICAL SUPPORT GROUP
 UCARS----UNIFORM COST ACCOUNTING AND REPORTING SYSTEM
 WIMM-----WEAPONS INTEGRATED MATERIAL MANAGER
 WORCS----WORK ORDERING AND REPORTING COMMUNICATION SYSTEM

APPENDIX D

ANNEX 1

Rationale for Selection of the Definitions of Specific Terms

Excerpts from report (reference Bibliography) prepared by G. F. Cromwell, Jr. as part of PWG efforts during Mobilization Designee assignment 1-12 July 1977.

Annex 1 to Appendix D

Rationale for Selection of the Definition of Specific Terms

NATIONAL INVENTORY CONTROL POINT "ITEM MANAGEMENT" WITHIN US ARMY ARMAMENT MATERIEL READINESS COMMAND

SUMMARY

1. This paper addresses a portion of the analysis of centralized versus decentralized "item management" within HQ, USA ARRCOM. Its purpose is to provide materiel for the overall analysis of factors that influence the manner in which ARRCOM accomplishes its assigned missions. The specific objective is to define "item/materiel management." The scope of this effort includes all directorates and offices of HQ, ARRCOM and their activities in support of assigned missions of ARRCOM.
2. Development of a definition of "item management" has been accomplished basically by analysis of various written descriptions of management functions and actual management practices in current use. Resource material included military policy and doctrinal publications, training course material, and questionnaire responses from directorates of HQ, ARRCOM.
3. Official military dictionaries provided starting definitions and descriptions, and gave an initial indication of the looseness of the term "item management." Pertinent definitions are discussed in Section I. (See also TAB A). AR 310-25, the Army dictionary, is in common use in ARRCOM although it does not directly define "item manager" or "item management."
4. Army publications other than the dictionary provided several similar but confusing terms. There is no precise definition of "item management" in the publications that were reviewed, although it is used frequently. Functional descriptions of "inventory management" or "inventory control" are given in regulations and Field Manuals, some in great detail and directly applicable to this study. Since some of these descriptions/definitions are included in regulations, they are regarded as directive in nature. There is a common core of functions in these several descriptions/definitions, and it appears in the conclusions and recommendations of this report. The proper term for these functions appears as "inventory management" in the primary regulations.
5. Course material from the Army Logistics Management Center (ALMC) course in Defense Inventory Management reinforces the basic functional description of "item management" that was gathered from DA publications. A brief discussion of the primary NICP functions of "inventory management" has been extracted and is attached at TAB C.
6. The responses from principal HQ, ARRCOM directorates to an initial survey questionnaire are summarized in Section II. Each directorate was asked for its own definition of "item management." Some directorates, through experience,

were able to provide specifics and to relate the "book definition" to actual practice.

7. The survey responses led to a review of local directives, basically ARRCOM Reg 10-1. Section III summarizes the delegation of responsibilities for "inventory management" in HQ, ARRCOM. TAB E is a list of "inventory management" responsibilities as prescribed in ARRCOM Reg 10-1.

8. The conclusions presented in Section IV resulted from analysis and comparison of all the material reviewed and from discussions with the Technical Support Group members conducting the study of centralized versus decentralized management. They include some definite characteristics of the "inventory manager" position, the essential functions of "inventory management," and some observations on the lack of uniformity in the reference material.

9. Section V presents a recommendation for a definition of "inventory management" to be used in ARRCOM at the NICP level and a recommendation that this definition be adopted Army-wide after implementation at ARRCOM. The recommended definition is built upon the basic functional elements found in published material and in actual practice.

10. The study concludes that the term "item management" is equivalent to the official term "inventory management."

I. FORMAL DEFINITIONS/DESCRIPTIONS. (TAB A).

A. JCS Pub 1

1. JCS Publication Number 1, Dictionary of Military and Associated Terms, 1974, defines "item manager" as:

"An individual within the organization of an inventory control point or other such organization assigned management responsibility for one or more specific items of material."

The same publication names six basic materiel management functions to be accomplished at an inventory control point. These are:

- a. Cataloging direction
- b. Requirements computation
- c. Procurement direction
- d. Distribution management
- e. Disposal direction
- f. Rebuild direction

B. Department of Army Publications

1. The term "item manager" was found explained only in AR 708-1, Cataloging and Supply Management Data. "Item manager" is explained there as "The National Inventory Control Point (NICP) or Service Item Control Center (SICC) authorized to perform wholesale or retail materiel management functions, respectively, for an item authorized for Army use."

2. There is no precise definition of "item management" in official DA publications. Commonly used terms in policy and doctrinal publications are "materiel management," "inventory management," and "inventory control."

3. AR 700-126, Logistics - Basic Functional Structure, establishes a standard functional structure for the Army logistics system, and prescribes standardization of the Army's logistics efforts "through the disciplined application of terminology and structural relationships of the basic functional elements defined in this regulation." Those basic functional elements are supply, maintenance, transportation, services, and facilities. Each functional division is defined and further described through a breakout of related functions, subfunctions, and tasks. Neither item, inventory, nor

¹Detailed subfunctions and tasks are presented in TAB B. (Ref App H, Anx 4)

materiel manager/management is used in AR 700-126. However, a major sub-function of supply is given as "inventory control," and is explained as "That function of supply which controls the acquisition, allocation, and disposal of materiel and which includes cataloging, requirements determination, procurement, production, overhaul and rebuild direction, distribution, and disposal."

4. AR 708-1 explains "materiel management" as "The management of an item of supply consisting of the functions of cataloging, requirements computation, procurement, distribution, stock control and accountability, depot storage and issue, maintenance engineering, depot maintenance, disposal, and budgeting." The same document explains "item of supply" as "Any materiel, part, component subassembly, assembly, equipment accessory or attachment, or end item for the equipping, maintenance, operation, or support of military activities, organizations, and civil agencies as appropriate."

5. FM 38-1, Logistics Management, says that "inventory management," as a responsibility of NICP's, includes cataloging, requirements computation, procurement direction, distribution management, maintenance management, stock control, and materiel utilization and disposal management. The estimation of requirements for repair parts and distribution planning for new equipment are the beginnings of "inventory management" during the materiel life cycle. A general discussion of "inventory management," including a section on each of the functions named above and considerations applicable to major items and secondary items is included in this manual.

6. FM 38-2, Inventory Management, names six functions of "inventory management" performed at NICP's; viz., cataloging, requirements planning, procurement direction, distribution direction, overhaul and rebuild direction, and materiel use and disposal. This differs slightly from FM 38-1 and from AR 700-126. FM 38-1 includes stock control as an inventory management task of the NICP. AR 700-126 includes production as a function of "inventory control." FM 38-2 then goes on to provide a comprehensive description of the basic functions of "inventory control." These basic functions are cataloging, major item management, secondary item management, procurement direction, distribution management, overhaul and rebuild direction, materiel utilization and disposal management, and stock control management. This manual identifies "stock control" as a subfunction of "inventory control," includes a chapter-length discussion of the subject, and indicates that an inventory manager might become involved in "stock control." However, the functions of integrated inventory management within a national inventory control point do not include "stock control" as a separate, distinct function. The six basic functions are discussed in detail in FM 38-2. The inventory manager's effort is mainly expended in the Production and Deployment phase of the life cycle of materiel. An individual inventory manager at an NICP is responsible for the management of specific items within the commodities assigned to him. All the wholesale functions of inventory management for any given group of items are centralized in one individual in one place.

7. AR 710-1, Centralized Inventory Management of the Army Supply system, contains Army policy and guidance for centralized "inventory management" at Army NICP's. This directive also names the elements of "inventory management" as cataloging direction, requirements computation, procurement direction, distribution management, maintenance direction, and materiel utilization direction. These elements pertain to the control of an item, category, or group of items, and will be established as a single integrated operation. The management of materiel by an NICP will be in terms of the complete responsibilities for these elements. The Commanders of DARCOM commodity commands are specifically charged to "Act as integrated materiel inventory managers for assigned items." They are directed to perform the six management functions named above.

C. Army Logistics Management Center, Defense Inventory Management Course, ALM 38-24.

Within a national inventory control point, individual managers are assigned a given number of items for support of specified end items, or federal supply classification groups or classes within a category for integrated inventory management. The DIM course teaches the six basic functional operations. The course includes introductions to major item and secondary item management. A single, specific definition of major item is not given in the written material, but major item management is explained as being accomplished primarily by use of the Army Materiel Plan. Secondary items are described as all items not defined as major items and include reparable components, subsystems and assemblies, consumable repair parts, bulk items and material, subsistence, and expendable end items (including clothing and other personal gear). Management of major and secondary items are entirely different. Major item requirements are based on force structure and authorized allowance documents while secondary item requirements are based on past demands and projected programs of the future. Whatever management system is used, the inventory managers at the inventory control points are the hubs around which all other functional areas revolve, and the same basic functions are accomplished. These functions of integrated inventory management are described at length in TAB C.

II. ARRCOM DIRECTORATE DEFINITIONS

A. The QA response to the initial survey questionnaire provided vague, generalized definitions of "item manager" and "item management" which do not name functions, tasks, or responsibilities. QA has no personnel identified as "item manager," but there are Inventory Management Specialists within QA. These specialists, according to official job descriptions, are responsible for functions of integrated inventory management as they have been described above. However, these responsibilities apply only to inspection devices used in support of ARRCOM mission items produced or procured.

B. MA^{*} responded with more specific explanations, and named the following functions of "item management":

1. Requirements determination
2. Procurement direction
3. Maintenance direction
4. Distribution management (issue authority)
5. Stock control (records of accountability)
6. Materiel utilization

MA has all NICP functions for Ammunition Peculiar Equipment (APE), by directive, and there are Inventory Management Specialists positions within MA. The job description for this position does include requirements computation, rebuild and disposal direction, distribution management, and procurement direction, all for APE. It is assumed that MA personnel at least have exposure to, and require knowledge of, cataloging in the accomplishment of inventory management functions for APE.

C. IS^{*} has stated the objective of materiel management instead of giving a definition. The responses to #3 and #4 are book definitions and are satisfactory except for having omitted overhaul and rebuild direction. The definitions do include stock control.

D. MM^{*} has provided a comprehensive response. MM views item/materiel management as it is defined in JCS Pub 1 (see TAB A). A functional definition of an "item manager" is given by MM in terms of tasks and responsibilities extracted from official job descriptions. The definition is supplemented by excerpts from ARRCOM Reg 10-1 which fully describe functions and responsibilities of an "item manager" in that directorate (TAB E).

E. The PD^{*} definition of "item/materiel management" is also a generalized statement without mention of functions. However, the survey response includes a description of "item manager" with some insights into this issue of definitions. Although the term "item manager" is in common use, it is a loose and generally inaccurate term. It refers to different official job titles in different directorates. The PD list of functions and responsibilities of an "item manager" applies to a Production Manager.

F. The survey response from PT^{*} also points out that "item manager" functions and responsibilities vary according to organizational location, but the "item manager" generally has management responsibility for one or more items of materiel.

^{*}MA, IS, MM, PD, and PT refer to, respectively, the ARRCOM Directorates: Maintenance, Installations and Services, Materiel Management, Production, and Personnel.

G. IL* Directorate has provided its own unique "item manager" functions and they pertain to Grant Aid, Foreign Military Sales, and Civilian Aid program controls.

H. The PC* definitions are in line with those found in AR 710-1 and AR 700-126, but PC has no "item/materiel management" functions or job titles to support the definitions.

III. LOCAL DIRECTIVES

A. All of the six basic functions of integrated inventory management are responsibilities of the Materiel Management Directorate, according to ARRCOM Reg 10-1. The delegation of these responsibilities to a central organization does not relieve that organization from any requirement for constant coordination with the other functional directorates, and vice versa.

B. In particular, Materiel Management Directorate has responsibility for control and accomplishment of all cataloging actions and data, new and old. Materiel Management Directorate is the coordination point in this command for action requests to, and receipt and maintenance of data from GSA, DSA, DLSC, USACDA, and DESCOM. Also, ARMCOM Suppl 1 to AR 708-1, 7 May 76, prescribes that the Director of Materiel Management will:

1. Assign MCN to new items of supply requirements which originate from HQ, ARMCOM activities.
2. Maintain a central assignment register for that block of MCN assigned.
3. Review and determine disposition of assigned MCN immediately upon receipt of an NSN.

C. The content of ARRCOM Reg 10-1, specifically the section dealing with the Materiel Management Directorate, includes a synthesis of formal definitions and actual management tasks in support of the NICP mission. In addition, there are associated tasks listed as inventory manager responsibilities which are largely a matter of coordination with, or providing input to, other ARRCOM agencies. TAB E represents the full range of "inventory management" functions at the NICP.

IV. CONCLUSIONS

A. In ARRCOM use, and throughout the Army generally, "item manager/management" and "inventory manager/management" are used synonymously.

* IL and PC refer to, respectively, International Logistics and Procurement.

B. A general description of the individual wholesale level inventory manager includes the following characteristics of the position:

1. The inventory manager alone is responsible for the item or items under his managership.
2. The inventory manager has visibility of all the assets and all of the requirements for a given item, worldwide.
3. The inventory manager is responsible for an item from the time the item enters the system, through its entire life in the system, right down to the time the last remnants of the item have been washed out of the system.
4. The inventory manager (ICP) must keep close and continuous coordination with retail level inventory managers to reduce the danger of supply failure and to tie together the wholesale and retail segments of the logistics system.
5. The inventory manager must keep constant coordination with his counterpart managers in the other functional areas such as procurement, production, product assurance, and maintenance.

C. There are six basic functional elements of "item/inventory management." They are:

1. Cataloging
2. Requirements computation
3. Procurement direction
4. Distribution management
5. Maintenance (Overhaul/Rebuild) direction
6. Utilization and disposal direction

D. These basic elements represent a logical division of "item/inventory management" tasks into major functions, each one of which may include associated subfunctions or tasks such as asset knowledge, allowances and load lists, accountability for depot stocks, transportation coordination, budgetary inputs, etc.

E. Official DA publications are not totally uniform in describing the elements of "item/inventory management," nor is there total uniformity in the use of the term "item/inventory management." However, the six functional elements listed above are named in directives and are the most commonly described functions in other types of publications.

V. RECOMMENDATIONS

A. That the terms "item manager" and "item management" be replaced in ARRCOM use by "inventory manager" and "inventory management," respectively.

B. That the definition of "inventory management" for official ARRCOM (NICP) use be adopted as:

"A major function of total materiel management. Inventory management integrates materiel acquisition, allocation, and disposal processes. At the NICP (wholesale) level, inventory management is accomplished by coordinating and controlling the functions of cataloging, requirements determination, procurement direction, distribution direction, overhaul and rebuild direction, and materiel use and disposal direction."

C. That HQ,ARRCOM recommend through command channels that the official Department of Army publications listed in TAB D be standardized in their use and description of inventory management, inventory control, item management, and materiel management. As a minimum, AR 310-25, AR 700-126, AR 708-1, AR 710-1, FM 38-1, and FM 38-2 should exhibit the "disciplined application of terminology" called for in AR 700-126.

VI. RATIONALE

A. These recommendations are based primarily on the conclusions of Section IV. The six or seven basic NICP functions are repeated frequently in the publications reviewed. However, the publications differ in whether these functions are included in "inventory management," "inventory control," or "materiel management." Use of these terms is sometimes inconsistent in a single publication. The sense of the explanation of each of these is apparently the same as that of the activity usually called "item management." The official job title of the individuals who actually carry out the management functions is "Inventory Management Specialist." Also, "inventory management," "inventory control," and "materiel management" are often used interchangeably, all with the same meaning. They are used interchangeably because they refer to the same process with the same objective; viz., effective, efficient, and economical supply to the military forces. Furthermore, JCS Pub 1, which must be used in conjunction with the Army Dictionary, indicates that the terms are synonymous.

B. Despite AR 700-126, the terminology involved in the several descriptions of NICP responsibility is not disciplined. This fact has apparently created some confusion in actual practice. This paper takes the view that ARRCOM accomplishes total materiel management for assigned items, and that "inventory management" is a part of that overall mission. The overall mission is accomplished by inventory management in addition to procurement management, production management, product assurance, maintenance management, and logistics engineering.

TAB A

PRINCIPAL ITEMS: End items and replacement assemblies of such importance that management techniques require centralized individual item management throughout the supply system to include depot level, base level, and items in the hands of using units. These specifically include the items where, in the judgment of the Department of the Army, there is a need for central inventory control including central direction of distribution, and central knowledge and control of all assets owned by the Department of the Army. (AR 310-25)

SECONDARY ITEM: End items, replacement assemblies, parts, and consumables, other than principal items. (AR 310-25)

ITEM MANAGER: An individual within the organization of an inventory control point or other such organization assigned management responsibility for one or more specific items of material. (JCS PUB 1)

INVENTORY CONTROL: That phase of military logistics which includes managing, cataloging, requirements determination, procurement, distribution, overhaul, and disposal of materiel. Synonymous with materiel control, materiel management, inventory management, and supply management. (JCS PUB 1)

INVENTORY CONTROL POINT: Materiel inventory management includes cataloging direction, requirements computation, procurement direction, distribution management, disposal direction, and generally, rebuild direction (JCS PUB 1)

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TAB C

The Inventory Manager. Within a national inventory control point, individual managers are assigned a given number of items for support of specified end items, or Federal supply classification groups or classes within a category for integrated inventory management.

The ICP inventory manager is responsible for an item from the time the item enters the system, through its entire life in the system, right down to the time the last remnants of the item have been washed out of the system.

1. Cataloging Direction

a. Originally an item of supply is identified either by descriptive pattern or reference method as an item peculiar in certain respects to all other items in the inventory. This identification is done by a technical specialist trained in this field. The inventory manager, since he alone is responsible for the item or items under his managership, does get involved in cataloging data after the cataloging specialist has performed the original item identification. The inventory manager is concerned with item management data that is published to the field. Such entries in cataloging data as standard unit price, supply status code, and phrase coding all have a significant impact on the requisitioner in the field and on the inventory manager at the Inventory Control Point (ICP) level. The inventory manager's function, then, is to insure that all item management data is accurate and updated in a timely manner.

b. Once the cataloging specialist has identified the item and published basic information for the item to the logistics system, the inventory manager becomes responsible for all management data published to the field concerning the item. The manager must insure that stock numbers, unit prices, unit pack, perishability codes, recoverability codes, and all other management data are correct.

c. The inventory manager must insure that the items are properly cataloged and recorded in appropriate working file sections of the Army Master Data File (AMDF) so that the worldwide customers will know what the item is, what it does, what stock number to use, what the unit cost is, and where to submit requests for the item. Although the Defense Supply Agency has responsibility for maintaining the Federal Catalog System files at the Defense Logistics Services Center, individual inventory managers have responsibility for initiation of cataloging actions into the catalog system for items they manage and for changes thereto.

2. Requirements Computation

a. The inventory manager is responsible for the planning and computation of peacetime and mobilization requirements for assigned items. He is also responsible for computing military assistance grant aid requirements based upon demand history and maintaining stockage levels in support of Cooperative Logistics Supply Support Arrangements. The degree of authority vested in the manager and the amount of review for approval by higher authority are related closely to the type of item involved, category of funds to be expended, and dollar value of projected inventories.

b. The inventory manager is tasked with the responsibility for collecting, reviewing, and analyzing asset status reports, demand history, programmed requirements, and all other data and information that might affect the status of any item under his control. From this review and analysis, the manager must compute gross worldwide requirements for the item, apply all available assets to the gross requirement and establish a net position. All follow-on actions such as directed procurement, rebuild, or excessing are dependent on the quantitative relationship of the assets to the computed requirements.

c. If the manager finds that requirements exceed his assets, then he must decide how he will acquire more assets so as to equal the requirements. The options available to the manager are to obtain assets from previously disposed excess, obtain assets from depot level maintenance output, or consummate a procurement contract with a commercial source. The inventory manager will determine which source he will tap based on known events of the past and on the fundamental theory that the least expensive option available is most probably the best. It is evident that retrieval of assets from disposal is the least expensive option, whereas acquisition of assets from procurement is the most expensive. If the inventory manager finds that the asset quantity exceeds the gross requirement, then he must decide whether to retain the assets for future issue or dispose of those assets over and above the gross requirement.

3. Procurement Direction

a. The inventory manager has the authority to direct procurement to be accomplished, subject to limitations of approved programs and direction from higher authority. Close coordination between the inventory manager and procurement personnel is essential.

b. The inventory manager authorizes the acquisition of materiel by forwarding a procurement work directive to the procurement activity supporting the inventory control point. In this directive the manager must specify the item to be purchased, the distribution pattern, delivery schedule, and the level of packing and packaging needed to protect the item once it is brought into the military logistics system. From this

document the procurement manager than takes action to obtain a contract for the desired materiel.

4. Distribution Management

a. The inventory manager controls stocks which are in storage, due in, or due out for the entire continental United States (CONUS) depot distribution system on both a quantitative and monetary basis with the exception of selective item intensity management items where this control extends to overseas theater depots. This function involves the control of inventories to insure they are adequate, but not excessive, and that they are strategically located so as to be most responsive to customer demands.

b. The inventory manager must cause storage of supplies and equipment as close to the point of utilization as possible. Therefore, the manager is required to develop an initial distribution plan for items procured, and from time to time adjust distribution of stocks to better support the field forces. The manager, then, is responsible for distribution and redistribution of stocks under his control.

c. Management of the distribution of supplies and equipment is another "stock-in-time" function of the inventory manager. He is responsible for the initial distribution of assets in the military logistics system as stated in paragraph b above. Further, all redistribution actions and issuance of stocks from the wholesale segment of the logistics system are directed by the inventory manager.

5. Maintenance (Overhaul/Rebuild) Direction

a. The inventory manager has the authority to require that items be overhauled or rebuilt. In computing requirements, all assets (serviceable and economically repairable unserviceable) must be considered. Close coordination between the inventory manager and the equipment specialists and maintenance experts is necessary to consider overhaul/rebuild capacities versus related quantities and time schedules desired by the inventory manager. The functions of maintenance facilities, both in-house and contractual, are of paramount interest to the skilled inventory manager. Economy can frequently be enhanced through judicious employment of these facilities.

b. Depot level overhaul or rebuild, for the inventory manager of repairable assemblies, acts as an "asset generator" in much the same way as procurement is an "asset generator." The manager must study the item involved, determine that a need exists for the item, review the stock status data to see if there are enough unserviceable assets available to initiate an overhaul or rebuild program and then take action to plan and budget to implement the program. Once this has been accomplished, the manager can transmit a maintenance work directive to his maintenance counterpart to perform the desired work.

c. The need for depot level rebuild must be determined by the inventory manager based on a supply control study and the availability of unserviceable but reparable assets. The manager must program depot level rebuild from both the financial and depot workloading viewpoints. He must take action to obtain funds to do the rebuild and he must direct shipment of the unserviceable assets and the repair parts to the depot where the rebuilding is to be done.

6. Materiel Utilization and Disposal

a. The inventory manager must insure that excess or obsolete stocks are removed from the system. He is responsible for the declaration of excess and, when the item has been declared excess to the Federal Government, takes further action to effect disposal. He must conscientiously participate in the DoD materiel utilization program to insure the proper utilization of excess stocks prior to disposal.

b. When a supply control study indicates that there are assets in excess of established retention levels, the manager will take action to report the excess of screening within the Federal Government and eventual disposition. In some instances reporting excess is not necessary and the inventory manager will initiate action for direct shipment of the excess assets to the property disposal holding area.

c. Once a supply control study establishes the fact that assets exist in the supply system over and above all requirements and retention levels, the inventory manager is responsible for directing movement of these assets from various storage locations to the nearest property disposal holding area.

7. Other Functions

a. The inventory manager at the wholesale level usually has a myriad of subfunctions to deal with within each of the major functions shown above. He also must provide advice, guidance, or data to assist in establishing the ICP operating budget, provisioning conferences, maintenance planning conferences, and many other areas associated with his day-to-day operations.

b. There are many other corollary functions which must be performed in support of materiel management, such as data processing, programming, budgeting, review and analysis, transportation, and related activities, all of which must be understood by the inventory manager. Thus, the caliber of personnel employed as inventory managers and the degree of training to which they must be exposed, is, of necessity, very high.

APPENDIX E

SURVEY

APPENDIX E

Preliminary Survey Results

Introduction

The purpose of the preliminary survey (questionnaire) was to acquire general data, gain an understanding of item/inventory management in HQ, ARRCOM and obtain definitions of terms. The replies also provided a basis for the PWG's direct discussions with Technical Support Group representatives from principal directorates involved in item/inventory management or significantly interfacing with the process.

The surveys were sent to 19 directorates. Of these, 14 responded and the balance indicated no involvement in item/inventory management and/or declined to offer a position or responses. DRSAR-SA, for example, declined to respond for reasons of possible bias because it had personnel assigned to the study team in both the SAG and the PWG.

A copy of the survey questionnaire is provided in Section 1. The summary, Section 2 of this appendix, is based on the 14 responses; and the details appear in the compilation, Section 3. Section 4 of this appendix provides additional material supplied by the survey respondents in support of their replies.

APPENDIX E

SECTION I

TASK FORCE

"Centralized/Decentralized Management"

TECHNICAL SUPPORT GROUP (TSG)

PRELIMINARY SURVEY

DIRECTORATE: _____

DATE: _____

1. What is your directorate definition of:
Item? _____ Material (Materiel)? _____
Major Item? _____ Commodity? _____
Secondary Item? _____ Component? _____
2. How does your directorate view (define) item/material management?
3. What is your directorate's definition of an "Item Manager"?
4. What are the functions and responsibilities of an "Item Manager"?
(Please be as specific as possible.)
5. What are the critical/essential functions and responsibilities?
(I.E. - those which are the minimum criteria for a title of "Item Manager".)
6. What item/material management functions and responsibilities currently exist within your directorate?
7. Who performs them? (How many people, at what grade, and position/specialty?)
8. Does any one individual perform all, or at least the minimum critical/essential functions?
9. How many people; and which functions?
10. Does your directorate have any individuals identified as "Item Manager"?
11. How many? Which functions are performed?
12. If not, how are they identified? How many people; and which functions?
13. How are these functions/responsibilities performed within your directorate; i.e., what procedures, regulations, forms, reports, etc. are utilized?

14. How is your directorate organized for the performance of these functions/ responsibilities; i.e., functionally or by item (commodity)?
15. What items, material, or commodity are "managed" by your directorate?
16. How does your directorate view the HQ, ARRCOM mission; i.e., is it functional or commodity oriented, and why?
17. How does your directorate view the HQ, ARRCOM organizational alignment; i.e., is it basically centralized or decentralized, and why?
18. Which should it be? Why?
19. What factors and impacts should be considered in addressing centralized versus decentralized item management?
20. Additional Comments.

This is a survey, and should not be considered as an official "Position Paper." It should, however, reflect the overall viewpoint of your directorate and have the director's concurrence.

Signed: _____

Director, or Point of Contact

Date

SECTION II

Summary

Question #1: Define -

ITEM

Any article, part, kit, component, tool, assembly or quantity of bulk material which may be uniquely identified, categorized, cataloged, procured, issued or sold.

MAJOR ITEM

End items or replacement assemblies having a high unit cost and/or high total inventory value or any item officially declared a major item because of combat or training essentiality such as major weapon systems, vehicles, aircraft, ships, etc.

SECONDARY ITEM

End item or replacement parts or assemblies not meeting the dollar value criteria for major items, usually repair parts or replacement assemblies for support of a major item.

MATERIAL (MATERIEL)

Material - basic substances i.e., raw materials, metals, wood, plastics etc. Materiel - military armaments and equipment in general.

COMMODITY

A broad category of materiel having similar characteristics, sources of supply and function, i.e., weapons, aircraft, tracked vehicles, etc.

COMPONENT

A part or assembly which may be either an integral part of an end item or a separately procurable item used in support of an end item.

Question #2: How does your directorate view (define) item/material management?

The performance of all the activities which control the inventory and readiness of an item. These activities include requirements computation and the direction of cataloging, procurement, distribution, maintenance, and disposal.

Question #3: What is your directorate's definition of an "item manager"?

An individual within an NICP who performs or directs all activities necessary to control the inventory of one or more assigned items in a prescribed state of readiness.

Question #4: What are the functions and responsibilities of an "item manager"?

Responsibilities - to control the inventory of one or more assigned items in a prescribed state of readiness.

Functions - performs, as required, requirements determination, and the direction of cataloging, procurement, distribution, maintenance, and disposal.

Question #5: What are the critical/essential functions and responsibilities? (i.e., those which are the minimum criteria for the title of "item manager"?)

Most of the directorates responded with at least some of the six basic functional elements of inventory management, i.e., cataloging direction, procurement direction, distribution management, maintenance direction, and utilization and disposal direction. Some comments did not specifically name the basic elements but were centered around them.

Question #6: What item/material management functions and responsibilities currently exist within your directorate?

Many directorates misunderstood this question, however, the correct answers are summarized below:

<u>Directorate</u>	<u>Items</u>
DRSAR-DA	All Ammunition
DRSAR-MA	Ammunition Peculiar Equipment
DRSAR-MM	Army Stock Fund Items 3 classes, 5 subclasses
DRSAR-PD	Industrial Supplies and Components
DRSAR-QA	Final Acceptance
DRSAR-AS	Inspection and Test Equipment Armament Systems Joint with MM

Question #7: Who performs them? (How many people, at what grade, and position/specialty?)

Positive responses are summarized in the following table:

<u>Directorate</u>	<u>Total (Non-supervisory)</u>
DRSAR-DA	82
DRSAR-MA	2
DRSAR-MM	170
DRSAR-PD	82

See Incl 7 for grade and specialty break down for DRSAR-MA, DRSAR-PD, and DRSAR-MM. DRSAR-QA responded negative because of a misunderstanding of the question; however, they have six individuals grades 5 to 11 in the 2005 and 2010 series.

Question #8: Does any one individual perform all, or at least the minimum critical/essential functions?

DRSAR-DA, DRSAR-MA, DRSAR-MM, and DRSAR-PD all responded "yes" to this question. All other directorates responded negatively.

Question #9: How many people; and which functions?

There was much misunderstanding of this question; thus, many incorrect answers were received. The correct answers are summarized below:

Functions	DA	MA	MM	PD	QA
Cataloging direction	82	-	147	-	-
Requirements Computation	82	1	147	82	2
Procurement Direction	82	1	147	82	2
Distribution Management	82	1	147	82	2
Maintenance Direction	82	1	147	82	2
Disposal Direction	82	1	147	82	2

DISTRIBUTION OF ITEM/INVENTORY MANAGEMENT FUNCTIONS BY DIRECTORATE
(number of non-supervisory people performing the functions)

Question #10: Does your directorate have any individual identified as "Item Manager"?

DRSAR-DA, DRSAR-MA, and DRSAR-MM responded "yes". DRSAR-PD explained that their people are "Production Managers". All other directorates gave negative responses.

Question #11: DRSAR-PD refers to their personnel as "Production Manager", cf., responses to question 4 and 7. DRSAR-MA refers to their response to question 7. DRSAR-MM reports that all personnel in the GS-2010 series, Grades 09, 11, and 12, perform all functions (elements) of item management.

Question #12: If not, how are they identified? How many people, and which functions?

DRSAR-AS identified 42 individuals as "Readiness Project Officers" who are responsible for "Item/System" Management. DRSAR-LE cited "Configuration Managers" and "Malfunction Managers" who support production project managers and field units. DRSAR-PD explained that their people are "Production Manager". Others gave no comment or indicated "not applicable".

Question #13: How are these functions/responsibilities performed within your directorate; i.e., what procedures, regulations, forms, reports, etc. are utilized?

Response to this question ranged from "there are no ARRCOM procedures. . .", to detailed listings of regulations, SOP's, forms, reports, etc. A complete list of cited official publications and forms appears in the following Table:

TABLE

Citations of Official Publications in answer to Question 13.

Civilian Personnel Regulations - 351 and 752.

Armed Service Procurement Regulation.

<u>Army Reg</u>	<u>DARCOM Reg</u>	<u>ARRCOM Reg</u>
15-2	10-1	10-1
37-200 Suppl	70-1	15-9
70-37	700-34	235-1
75-1	700-78	700-1
310-34	702-9	700-8
700-22	570-4	702-8
710-1	740-5	740-1
710-2	740-18	
725-1 Chapter 8	750-3	
725-50	750-20	
735-50	750-28	
755-1	755-1	
	755-8	

ARRCOM Circular - 715-2.

ARRCOM Memoranda - 15-12, 15-13, 18-4, 37-7, 700-8.

Training Manuals - 38-75 and 43-0001-47.

DRSAR-PD Standard Operating Procedures.

5-7.1	700-25	700-39	735-2
11-1	700-32	700-47	735-3
37-120.2	700-34	700-49	735-6
700-3	700-35	700-50	
700-4	700-37	700-71	
700-9	700-38	735-1	

Standard Forms

(1) DD Form 1513	(13) DD 250's
(2) DRSAR Form 900	(14) DD Form 448's
(3) AMC Form 1006	(15) DD Form 448-2
(4) DRSAR Form 825	(16) AMC Form 1095
(5) FL 65 Form	(17) DD Form 1348
(6) AMSAR Form 208	(18) AMC Form 1538
(7) APARS Report	(19) DRSAR 825-1
(8) RSGLD 1369 Report	(20) DARCOM 1570
(9) DD Form 375 Report	(21) DARCOM 1277
(10) SARPP 101 Report	(22) DARCOM 1397R
(11) AMSAR Form 619	
(12) DA Form 1370 Report	

Only ARRCOMR 10-1, AR 725-50, and DARCOMR 755-1 were cited by more than one directorate. Unofficial regulations cited include the DARCOM Letter of Instruction dated 24 November 1976, ARRADCOM/ARRCOM Letter of Instruction dated 24 November 1976 and ARRADCOM/ARRCOM Letter of Agreement (in preparation). Computer control reports such as the classified "H-530" from DESCOM giving a complete asset status report showing Table of Organization and Equipment, authorized and actual strength, for all units. (Verbally, MM personnel reported that the CCSS Supply Control Study should be included.)

Question #14: How is your directorate organized for the performance of these functions?

DRSAR-PD, DRSAR-QA, DRSAR-LE, and DRSAR-MM all report that they are organized by commodity. DRSAR-TM, DRSAR-PC, and DRSAR-IL report that they are organized by function. DRSAR-MA reports they are organized functionally for Ammunition Peculiar Equipment. DRSAR-AS reports that they are organized on a system basis. All others did not answer or indicated "not applicable".

Question #15: What items, material, or commodity are "managed" by your directorate?

See summary of responses to question #6.

Question #16: How does your directorate view the HQ, ARRCOM mission, i.e., is it functional or commodity oriented, and why?

The consensus among the directorates is that organization is functional because each directorate performs specific functions. However, some directorates stated that the mission is commodity oriented generally because the command supports specific commodities, i.e., weapons ammo, fire control, etc.

Question #17: How does your directorate view the HQ, ARRCOM organizational alignment; i.e., is it basically centralized or decentralized, and why?

Eight directorates answered "decentralized", three said "centralized" and three said both.

Thus, the consensus opinion is that the organization is decentralized.

Question #18: Which should it be? Why?

Five directorates said decentralized and four said it should be centralized, one said both, two said the command should stay as is and one was unclear. Each justified the choice on the basis of efficient management and good utilization of available expertise. DRSAR-PT cited DARCOM regulation 10-1 which prescribes the basis organization for all DARCOM subordinate commands.

Question #19: What factors and impacts should be considered in addressing centralized versus decentralized item management?

Factors offered included function, efficiency, goals, control, personnel, compatability of centralized items with CCSS, command mission, elimination of bottlenecks, quality of work, PICA/SICA system.

Question #20: Additional comments.

Five directorates gave responses summarized as follows:

DRSAR-QA recommended AR 325-10 as a source of definition of terms; DRSAR-IL and DRSAR-PP vied for centralized item management within the command; DRSAR-MA indicated that National Maintenance Point functions must be considered in any changes in the organization; DRSAR-MM expressed concern that understanding of the system may have been sacrificed in the choice of impartial SAG and PWG task force members and, therefore, the task force must make a special effort to gain understanding in order to produce meaningful recommendations.

PRELIMINARY SURVEY RESPONSES

For Question 1

by Directorate

Question #1. What is your directorate definition of:

ITEM?

DRSAR-AS: Anything in the wholesale supply system that has a specific description name, identifying number, and an associated unit cost and is referred to in official documentation using any combination of these.

DRSAR-CP: Negative Report

DRSAR-DA: Any component, component assembly, end item or end item assembly which is individually identified for issue or expenditure.

DRSAR-IL: Any ARRCOM managed material (could be a service item, major or secondary item).

DRSAR-IS: Any piece, part, assembly, set, kit or equipment separately identified and managed.

DRSAR-IM: No response.

DRSAR-LE: Any identity that requires separate management, procurement, logistic, storage or maintenance action.

DRSAR-MA: Any article, unit, or separate thing.

DRSAR-MM: Any part, piece of equipment, assembly, component, major item, secondary item, etc., that can be assigned a 1) National Stock Number or 2) Management Control Number (MCN) based on customer requirements and can be managed at the item manager level.

DRSAR-MS: A separate article of supply that could be a major item, secondary item, component, repair part, bulk material, or a tool.

DRSAR-PA: No response.

DRSAR-PC: A line item of supply or service which independently can be made the subject of an award by the Government. (ASPR 1-114)

DRSAR-PD: A product of either software or hardware that can be obtained through a procurement action that has a part number, stock number and identification data necessary to differentiate from other items. It is an identifiable entity and can be classified in several categories, i.e., major, secondary, component, raw material, equipment, tool, etc. It is the generic term used to identify matter regardless of additional descriptive information.

DRSAR-PP: An end item capable of being procured independently which could be as small as a repair part.

Question #1 (cont'd)

DRSAR-PT: Equipment, supplies, products, assemblies/subassemblies, parts, etc., or other major or secondary items.

DRSAR-QA: A piece, part, assemblage which in its final state can perform its intended function and which is assigned an NSN.

DRSAR-SA: Negative report.

DRSAR-TM: No response.

MAJOR ITEM?

DRSAR-AS: Weapon or equipment system managed by a Materiel Readiness Command.

DRSAR-CP: Negative report.

DRSAR-DA: Any end item that is issued separately, readily useable by itself for the purpose it was designed for.

DRSAR-IL: Defined in MASL (expressed quantitatively as well as in \$)

DRSAR-IS: An end item having high combat or training essentiality, very high dollar value, or is difficult to procure or produce. Requirements for Major Items are tied to the Approved Force Objective, are reflected in the Army Materiel Plan and are financed by the Army Procurement Appropriations.

DRSAR-IM: No response.

DRSAR-LE: End item (complete system; e.g., arms or weapon).

DRSAR-MA: End items and replacement assemblies of such importance that management techniques require centralized individual item management throughout the supply system, to include depot level, base level, and items in the hands of using units.

DRSAR-MM:

a. Any item meeting the following criteria is a major item:

(1) Item requires centralized management and control of requirements determination, procurement, maintenance, disposal, and worldwide assets and distribution at each support level to insure operational readiness of the Army.

(2) The unit value is \$1,000 or more, and/or the total inventory (or programmed procurement) is greater than \$500,000 and/or a "budget line" is required for this item. Each unit of this item is individually justified/authorized and budgeted at the DA level.

(3) The worldwide requirements for this item are individually specified, computed, and programmed in accordance with specified, planned, programmed, and/or current force structures matched against Tables of Organizations and the TAADS.

b. The following selected items are to be designated as major items (without regard to the above criteria):

Question #1 (cont'd)

(1) All TOE/TA/MTOE motorized sheeled and towed vehicles for use on highway or rough terrain.

(2) All TOE/TA/MTOE weapon and missile end items.

(3) All aircraft end items.

(4) All boats/ships with inboard power and/or all boats with a unit value of \$1,000 or more with or without inboard power.

c. Any item failing to meet the above criteria will not be classified as a major item unless approved by HQ, DARCOM. Requests for exceptions should contain rationale that clearly indicates why major items procedures will result in better overall management than secondary items procedures.

d. A major item must be assigned a Line Item Number in accordance with Chapter 9, AR 708-1.

e. A major item must be assigned a Standard Study Number in accordance with AR 710-60.

DRSAR-MS: A completely assembled end article that can be put to its intended use without additional assembly, mounting, adapting, or modification.

DRSAR-PA: No response.

DRSAR-PC: Missiles, aircraft, tanks, ships, aircraft engines, navigational/communication or weapons systems (normally exceeding \$100,000 unit cost). (ASPR 1-330 (c)(1))

DRSAR-PD: ARRCOM responsible to deliver to field; same as item but is type classified. An end item or a final combination of end products, component parts and or materials which are ready for intended use; e.g., ships, tanks, aircraft or mobile machine shop. It is an item that is significantly and specifically identifiable due to the complexity, high dollar value and complete within itself; issuable, etc. It is specifically identified in the Presidential Budget.

DRSAR-PP: A complete functional item capable of performing a job function or mission with limited support; for example, tank, rifle, machine gun, etc.

DRSAR-PT: A final combination of end products, component parts/materials, which is ready for its intended use, e.g., ship tank, etc.

DRSAR-QA: The final assemblage of items which results in an assembly meeting, the criteria for an "M" number.

DRSAR-SA: Negative report.

DRSAR-TM: No response.

Question #1 (cont'd)

SECONDARY ITEM?

DRSAR-AS: Part, assembly or subassembly, or component used in the repair or maintenance of a major item, assembly or subassembly or component.

DRSAR-CP: Negative report.

DRSAR-DA: Not applicable to DRSAR-DA.

DRSAR-IL: A dollar value line encompassing items of equipment.

DRSAR-IS: End items, replacement assemblies or parts which do not require the degree of control afforded a major item. Management of these items vary according to the value of the yearly demand with close or intensive management exercised on only critical items.

DRSAR-IM: No response.

DRSAR-LE: Component of a major item.

DRSAR-MA: End items, replacement assemblies, parts, and consumables other than principle items.

DRSAR-MM: Any item, including end items, components, and spare parts, which has not been classified as a major item.

DRSAR-MS: Components or subassemblies of a major end item.

DRSAR-PA: No response.

DRSAR-PC: End item, replacement assemblies, parts and consumables other than principal items. (AR 310-25)

DRSAR-PD: A component of a major item, procured and provided to the field to support a major item. It is generally categorized as a stocked spare or repair part. Secondary items are procured concurrent with the major end item or stocked based on demand as a repair part.

DRSAR-PP: A component, assembly, subassembly, repair part, of a major item. Any item otherwise not classified as a major item.

DRSAR-PT: End items, replacement assemblies, parts and consumables, other than major items.

DRSAR-QA: Those items of lesser assemblage are used to make a major item.

DRSAR-SA: Negative report.

DRSAR-TM: No response.

Question #1 (cont'd)

MATERIAL (MATERIEL)?

DRSAR-AS: The substance or substances of which a thing is made or composed. The aggregate of things used or needed in any undertaking or operation, i.e., Military arms, ammunition and equipment in general.

DRSAR-CP: Negative report.

DRSAR-DA: Material: That substance that is used in the manufacturing of other items, which loses its individual identify. Materiel: Applies to all items of equipment and supplies as a descriptive noun.

DRSAR-IL: Any of the ARRCOM (service)/items that we supply IL customers.

DRSAR-IS: Materiel is the implements, equipment or end items used by the military departments. Material defines what is used to produce the equipment or end item.

DRSAR-IM: No response.

DRSAR-LE: Material? Any item (include raw materials). Materiel? Item (finished product).

DRSAR-MA: Anything having a specific identity.

DRSAR-MM: Materiel - All items necessary for the equipment, maintenance, operation, and support of military activities without distinction as to their application for administrative or combat purposes (AR 310-25).

DRSAR-MS: Bulk or raw matter used in the manufacture or assembly of components for major or end items.

DRSAR-PA: No response.

DRSAR-PC: Property which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed or expended in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, and small tools and supplies which may be consumed in normal use in the performance of a contract. (ASPR 13-101.4)

DRSAR-PD: Material. Supplies. The elements or substance of which something is composed or can be made; e.g., raw materials, steel, wood, plastics, etc. Material differs from materiel in that, material is something that makes up materiel which is then in a troop usable condition. It is matter which may be found in a raw, semi-finished or finished configuration. Materiel. All items necessary for equipment, maintenance, operation and support of military activities without distinction as to their application for combat or administrative purposes.

DRSAR-PP: Any given item of logistical support encompassing major and secondary items.

Question #1 (cont'd)

DRSAR-QA: The grouping of items based upon the intended military function.

DRSAR-SA: Negative report.

DRSAR-TM: No response.

COMPONENT?

DRSAR-AS: An assembly or any combination of parts, subassemblies and assemblies mounted together in manufacture, assembly, maintenance or rebuild.

DRSAR-CP: Negative report.

DRSAR-DA: An item or part that is integral to the assembly, renovation and/or manufacturing of an end item.

DRSAR-IL: An integral part (item) of a system.

DRSAR-IS: A piece, part, assembly or subassembly of a larger assembly or end item.

DRSAR-IM: No response.

DRSAR-LE: Piece, subassembly or secondary item.

DRSAR-MA: Part or assembly from a higher level item.

DRSAR-MM: An assembly or any combination of parts, subassemblies, and assemblies mounted together in manufacture, assembly, maintenance, or rebuild (AR 310-25).

DRSAR-MS: A single item or assembly used to produce major or end items.

DRSAR-PA: No response.

DRSAR-PC: An assembly or any combination of parts, subassemblies and assemblies mounted together in manufacture, assembly, maintenance or rebuild. (AR 310-25)

DRSAR-PD: A procurable part of a major item. An assembly, part, raw material, combination of parts, subassemblies and assemblies mounted together in manufacture, assembly maintenance or rebuild. Components become end items when sold as a separate entity.

DRSAR-PP: A subassembly or an assembly which is part of a major item.

DRSAR-PT: An assembly or any combination of parts, subassemblies and assemblies mounted together in manufacture, assembly, maintenance or rebuild.

DRSAR-QA: A piece, part, assemblage used to make-up an item but which does not have an assigned NSN.

DRSAR-SA: Negative report.

DRSAR-TM: No response.

Question #1 (cont'd)

DRSAR-PT: All items necessary for the equipment, maintenance, operation and support of military activities without distinction as to their application for administrative or combat purposes, excluding ships or naval aircraft.

DRSAR-QA: All items considered as a whole.

DRSAR-SA: Negative report.

DRSAR-TM: No response.

COMMODITY?

DRSAR-AS: Item or items requiring management or intensive management.

DRSAR-CP: Negative report.

DRSAR-DA: A general term used to describe a group/type or category of items or material (as in Ammunition).

DRSAR-IL: A group of items with similar characteristics, applications, or those which can be managed by similar methods.

DRSAR-IS: A category of materiel. It may be very broad in scope (i.e., armaments, food, etc.) or defined more closely (i.e., conventional ammunitions, cereals, etc.).

DRSAR-IM: No response.

DRSAR-LE: Family of major items.

DRSAR-MA: A class or group of items having common characteristics.

DRSAR-MM: The logistics system is made up of classes of supply and the Commodity designations are used to denote subclasses of supply.

DRSAR-MS: A group of like items of supply that are issued or requisitioned for assembly, manufacture, consumption, or maintenance.

DRSAR-PA: No response.

DRSAR-PC: Service or end item provided (upon request) to a customer. (ASPR 1-1203)

DRSAR-PD: A set of major items. A grouping or range of major items which possess similar characteristics, have similar applications, or are susceptible to similar logistics management methods. It is synonymous with item.

DRSAR-PP: A grouping of material of similar or like function; e.g., weapons and repair parts, tank and supporting components and/or repair parts, artillery and fire control, etc.

DRSAR-PT: The division of materiel into categories, e.g., ammunition, artillery, etc.

PRELIMINARY SURVEY RESPONSES

For Question 2

by Directorate

Question #2. How does your directorate view (define) item/material management?

DRSAR-AS: Management of items and systems to expand field inventories, to replace stocks, and to replenish field stockage levels.

DRSAR-CP: Negative report.

DRSAR-DA: Item/Materiel Management is defined as the exercise of a management effort afforded to the logistics support of an item from pre-development phase through the life cycle of the item to the death of the item via disposal.

DRSAR-IL: Item/material management as defined by this directorate would encompass the standard "life-cycle" concept. The managing of an item from its inception to its eventual phaseout (Planning (P&A) Case to shipment/billing).

DRSAR-IS: Materiel management is the effective, efficient and economical management of our inventories to assure the support to our troops is maintained at an acceptable level.

DRSAR-IM: No comment.

DRSAR-LE: The control of specific items with regard to need, acquisition, and issue of the item to the field.

DRSAR-MA: Determination of requirements and control of inventory and direction of procurement and maintenance. Responsible for level I, II, or III management of a single item or aggregate of items.

DRSAR-MM: That phase of military logistics which includes managing, cataloging, requirements determination, procurement, distribution, overhaul, and disposal of materiel (AR 310-25).

DRSAR-MS: Item management is the comprehensive surveillance of an item of supply from the time it is determined to stock the item until the applications for which it was designed no longer exists. It includes the analysis of demands, the establishment of requirements, taking procurement action, and controlling distribution and disposition.

DRSAR-PA: Negative report.

DRSAR-PC: Management of item/material, including controlling assets, determining requirements, requisitioning and disposition.

Question #2 (cont'd)

DRSAR-PD: Item/material management is defined as having the cognizance over and responsibility for an item within the specified assigned missions/functions. It is the responsibility of monitoring an item accepted into the Army inventory through the point of losing accountability for the item.

DRSAR-PP: Item/material management is the process of managing the supply, stocking, and issue of material. This includes projecting need requirements and logistical support.

DRSAR-PT: Materiel management is the assignment of management responsibility for one or more items of materiel.

DRSAR-QA: Total management responsibility by one of the same manager of all activities associated with the item throughout its logistic life cycle.

DRSAR-SA: A major function of total material management. Inventory management integrates materiel acquisition, allocation, and disposal processes. At the NICP (wholesale) level, inventory management is accomplished by coordinating and controlling the functions of cataloging, requirements determination, procurement direction, distribution direction, overhaul and rebuild direction, and material use and disposal direction.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

for Question 3

by Directorate

Question #3. What is your directorate's definition of an "item manager"?

DRSAR-AS: No comment.

DRSAR-CP: Negative report.

DRSAR-DA: An item manager is the individual assigned the management responsibilities for accomplishment of all phases of logistical supply support of a designated group of items.

DRSAR-IL: An individual who "controls" an item. The person who directs procurement, keeps stockage records, directs shipment and disposition of an item. In IL the "Item Manager" controls the IL program.

DRSAR-IS: An "Item Manager" is the person assigned responsibility for management of an item or group of items from the time it is introduced into the supply system until final disposition. The distribution planning of new equipment is the beginning of inventory management.

DRSAR-IM: No comment.

DRSAR-LE: See question 2.

DRSAR-MA: The individual who maintains records of accountability, initiates resupply through procurement, and has the authority for issue.

DRSAR-MM: Performs inventory and distribution management and control, providing centralized asset knowledge; worldwide quantitative requirements, centralized direction of procurement; maintenance/rebuild requirements; cataloging, demilitarization, disposal, or other utilization; provisioning; allowances and load lists and management of war reserves; cataloging and supply standardization; stock control to include formal accountability for depot stocks, transportation management, packaging and supply technical assistance; materiel readiness reporting; and NICP input to standardization, technical data, publications, and integrated logistics support planning. Also see attached "Item Manager" job descriptions (Incl 3A).

DRSAR-MS: One who does what is required in the response to question 2.

DRSAR-PA: Negative report.

DRSAR-PC: Item Manager is an individual assigned the responsibility for controlling assets, determining requirements, requisitioning and disposition of an item/material.

Question #3 (cont'd)

DRSAR-PD: This particular terminology is usually a colloquial term applied within a directorate to refer to the person who acts as the central control or authoritarian level for one or more specific items of materiel. The scope of authority associated with a directorate mission though is limited to the functional responsibility of the organization to which this person is assigned. Within the Material Management Directorate, the item manager term is really addressing an Inventory Management Specialist for an item(s). Within the Production Directorate, the term Production Manager is used for the person responsible during the procurement life cycle of the item. However, again, the term item manager is sometimes used as the reference term.

Whenever the Production Directorate causes the procurement of a customer peculiar item, the Production manager acts only as the contact point for the customer desiring the item, while the customer has his own Inventory Management Specialist for cataloging and supply operations. The status of the procurement action is maintained for the customer. There is little need for a similar person within ARRCOM because we are only providing a procurement function and not a stock, storing, cataloging and supply function. The Production manager is a specialty type manager.

Normal support, however, is provided in the area of system (CCSS) loading.

DRSAR-PP: Item Manager is an individual responsible for the management of a particular major item or secondary items.

DRSAR-PT: An item manager is an individual within the organization of an inventory control point or other organization assigned management responsibility for one or more items of materiel.

DRSAR-QA: The person (position) assigned the responsibility for item management.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 4

by Directorate

Question #4. What are the functions and responsibilities of an "Item Manager."
(Please be as specific as possible.)

DRSAR-AS: What are the functions and responsibilities of an "Item Manager"?
The Armament Systems Office has Readiness Project Officers (RPOs) and are classified as Systems Managers.

DRSAR-CP: Negative report.

DRSAR-DA: (Provided detailed response, given below.)

Requirements:

a. Develops procedures and criteria for establishing components and packaging requirements, and develops techniques for establishing stock levels including consideration of MAP and overseas requirements plus requirements resulting from technical meetings on redesign of items.

b. Accomplishes and directs recurring and special studies to determine world-wide requirements for packing materials and components to support repair of unserviceable, repairable ammunition and item assets. Obtains data on operations plans from Unit equipment specialists and overseas Commands, and considers OCTM requirements, MAP requirements and other relevant information.

c. Establishes depot stockage levels based on issue and demand experience plus other significant factors, and determines retention limits.

d. Maintains comprehensive line item assets and demand data, including current authorization status, logistical factors, lead times, and world-wide assets. Accomplishes cyclic supply evaluations to assure timely actions and prevent critical supply position or accumulation of excesses, and to establish or revise depot and national stock levels and reorder points.

e. Conducts studies of excess reports and related data to determine disposition of excess items, considering distribution of assets, future needs, transportation costs, and condition of items. Recommends disposition such as local disposal or retention for future needs including MAP. As required, provides data to support determinations regarding rebuilding of serviceable items.

Programming and Procurement:

a. Forecasts budget requirements within the Army Materiel Control Plan for five year periods, considering components and container deterioration along with other criteria. Develops program data for procurement of required items. Determines priorities to be assigned for components and determines how program authority is to be allocated. Visits higher echelon as assigned to justify and reclaim programs submitted.

Question #4 (cont'd)

b. Initiates procurement requests, within budgetary limits, citing quantities and dollar authorizations, customers, and required dates. Contacts responsible agencies concerning outstanding procurements, and recommends cancellation or "cut-back" of quantities in event of decreased requirements. Reviews indorsement schedules to purchase requests to ascertain if criteria can be met within limits, and develops justifications for revisions of authority as indicated. Likewise, initiates procurement requests citing quantity and dollar authority, customer, and required date based on MIPR which cannot be filled from stock.

Distribution:

a. Reviews requisitions to insure that items are authorized for issue and meet the needs of the requisitioners. Clarifies any problems with Unit equipment specialists, requisitioners and/or overseas supply agencies. Contacts Procurement and Production Division to ascertain if items out of stock in Field Service accounts are available from industrial stocks. Contacts depots by telephone to direct shipment of items to meet emergency or priority delivery dates. Initiates appropriate supply documents, e.g., shipping orders with pertinent instructions and notifications of substitutions to requisitioners.

b. Determines distribution of stocks from procurement. Establishes procedures for distribution of inventories, determines redistribution within the depot system, and initiates shipping orders accordingly.

c. Keeps customers advised of status of deliveries in relation to requirements. Furnishes dates on availability of repair parts to permit programming for repair operations. Adjusts priorities established for the various Military Services as necessary to correspond with shifts in policy.

d. Reviews "dues in", out of stock items and emergency requisitions to evaluate supply status and determine proper supply actions required to meet demands within priorities.

Related Supply Functions:

a. Maintains liaison necessary for effective supply management of assigned items including liaison with other DOD supply management and procurement agencies and other logistical elements of CONUS and Oversea Commands.

b. Initiates action to provide for timely identification of items and preparation of Stockage Lists and to delete phased out items from Stockage Lists.

DRSAR-IL: To direct and control the ARRCOM IL program to include Grant Aid, FMS, and all Civilian Aid and control these programs from inception P&A until all items/services have been furnished and billing completed. Prepare and maintain the International Logistics Supply and Delivery Plan for all MASL items.

DRSAR-IS: The "Item Manager" is responsible for having the item(s) identified and cataloged in the supply system, computing requirements, providing direction for procurement and distribution of the item, maintaining proper stock control and managing its utilization and disposal.

Question #4 (cont'd)

DRSAR-IM: No comment.

DRSAR-LE: Determines need based on stock studies. Orders item. Stores item. Issues item.

DRSAR-MA: Pricise responsibility for controlling the procurement and issue of an item and who assures its use for the intended purpose by the one authorized to receive it.

DRSAR-MM: See attached excerpts from ARRCOMR 10-1 which fully describe the functions and responsibilities of an item manager (Incl 4C).

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: An "Item Manager" is responsible for controlling assets, determining requirements, requisitioning and disposition of an item/material. "Item Manager" functions encompass studies to balance assets against requirements (both current and mobilization) with consideration of open requisitions and due-in's on contract. Based upon studies requisition item/material within available funding.

DRSAR-PD: For the purposes of this survey the description will be confined to a Production manager. Inclosure 4A contains the description commonly used in the weapons portion of DRSAR-PD. Inclosure 4B contains the functions of an ammunition manager.

DRSAR-PP: Functions and responsibilities of an item manager are to perform stock studies determining future needs for a projected/specific period, taking into consideration procurement administrative lead time, production lead time, and reasonable production scheduling to insure delivery to a Depot stock or customer in time to meet the customer's needs. This process includes a historical useage consideration, current market conditions, knowledge of the mobilization planning/ mobilization base requirements of the government, industrial capacities, economic trends, the world political situation and the trend of these situations, and current army activation and deployment planning for a specific near future period of time.

DRSAR-PT: The functions/responsibilities of an item manager vary according to organizational location, e.g., stock control, inventory accounting, etc., in DRSAR-MM, across the board direction in DRSAR-AS, item oriented engineering programs in DRSAR-LED, etc.

DRSAR-QA: The functions and responsibilities of an item manager should be exactly as defined for item management, i.e., it is a management function - it does not mean the item manager must also be a "doer".

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 5

by Directorate

Question #5. What are the critical/essential functions and responsibilities?
(i.e., those which are the minimum criteria for the title of "Item Manager"?)

DRSAR-AS: No response.

DRSAR-CP: Negative report.

DRSAR-DA: Requirements, programming and initiating procurement, planned distribution of assets, preparation and performing catalog actions and rebuild/maintenance direction. (See duties outlined in question four.)

DRSAR-IL: This directorate does not define any of its positions as I/M positions and therefore to define those functions that are critical/essential to being an I/M are irrelevant.

DRSAR-IS: The minimum functions which should be performed by the item manager are requirements computation, stock control and utilization management.

DRSAR-IM: No comment.

DRSAR-LE: Be able to do items listed in response to question 4.

DRSAR-MA: Procure, resupply, and issue.

DRSAR-MM: All functions included in response to question 4.

DRSAR-MS: Specifics are unknown; however, those functions necessary to keep an item in stock to satisfy demands are critical.

DRSAR-PA: Negative report.

DRSAR-PC: Determining assets required and requisitioning correct quantities to meet acquisition objective.

DRSAR-PD: For the purposes of this survey, the description is confined to a Production manager. For the weapons portion, the Production manager acts as a Program Manager and in varying degrees as a Financial Manager, Procurement Manager and Accounting and Reporting Manager for the procurement of complex mission assigned major items. Each of these functions includes or relates to planning, execution, review, analysis and control of these items. Coordinates the efforts of lower grade industrial specialists assigned various industrial specialists on large projects.

DRSAR-PP: The critical functions and responsibilities of an item manager are the management of an item(s) to insure that customer/user needs are satisfied within a desired/required period of time. This is to include all necessary planning and maintenance of stock levels as applicable.

Question #5 (cont'd)

DRSAR-PT: The critical/essential functions and responsibilities vary as indicated in Question #4 preceding.

DRSAR-QA: The minimum criteria for an item manager must meet the requirements for item management - any less than this would relegate the position to that of a "coordinator rather than a manager."

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 6

by Directorate

Question #6. What item/material management functions and responsibilities currently exist within your directorate?

DRSAR-AS: The attached lists (Incl 6A) indicate the items managed by AS.

DRSAR-CP: Negative report.

DRSAR-DA: Total supply (including item management) for Class 5 (Ammunition).

DRSAR-IL: The control of the IL program in its entirety for specific items as required by our overall case management system (P&A, shipment, billing, etc.).

DRSAR-IS: Not Applicable.

DRSAR-IM: No comment.

DRSAR-LE: None, under our definition.

DRSAR-MA: Ammunition Peculiar Equipment: All NMP and NICP functions.

DRSAR-MM: All functions included in response to question 4.

DRSAR-MS: None.

DRSAR-PA: Negative report.

DRSAR-PC: None.

DRSAR-PD: Refer to ARRCOM Regulation 10-1 for the Production Directorate. An abbreviated form of management, nominal control of customer peculiar items.

DRSAR-PP: No specific item management responsibilities or function is assigned to this office, and our only responsibility relative to item managers relates to guidance provided for procurement and production planning; contract placement and surveillance portion of the logistic cycle; and the application of laws, regulations, and procedures governing these aforesaid functions.

DRSAR-PT: Not Applicable.

DRSAR-QA: The Product Assurance Directorate performs logistics life cycle management of all product assurance functions for all assigned items. In other words, DRSAR-QA provides the product assurance portion of "item management" for all materiel assigned to ARRCOM (except for those items assigned to PM's, etc.).

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 7

by Directorate

Question #7. Who performs them? (How many people, at what grade, and position/speciality?)

DRSAR-AS: DRSAR-AS Readiness Project Officers (RPOs). Approximately 42 when fully staffed, in the GS-12 through GS-14.

DRSAR-CP: Negative report.

DRSAR-DA: A staff of 231 Military and Civilian (which includes 82 Item Managers of the GS-9 thru 12 levels - Does not include Supervisors).

DRSAR-IL: Our personnel are basically from grade GS 7 - GS 12; however, we do not have "Item Managers" as such. Some of our personnel do get MCN's/NSN's assigned and this is the root of the problem in the Shipped - Unbilled study.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: Not applicable.

DRSAR-MA: Two persons. (1) GS-2010-09, Inventory Management Specialist, (2) GS-2005-05, Supply Clerk - (NICP functions).

<u>DRSAR-MM</u> :	<u>PEOPLE</u>	<u>SPECIALITY</u>	<u>GRADE</u>
	71	GS-2010	09
	76	GS-2010	11
	23	GS-2010	12 (Team Leaders)
	10	GS-2010	13 (Supervisory)
	3	GS-2010	14 (Supervisory)

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: Not Applicable.

<u>DRSAR-PD</u> :	<u>Position</u>	<u>Grade</u>	<u>On Board Strength</u>
	General Engineer	GS-13	1
	Industrial Engineer	GS-13	4
	Industrial Specialist	GS-13	3
	Industrial Engineer	GS-12	11
	General Engineer	GS-12	1
	Chemical Engineer	GS-12	1
	Industrial Specialist	GS-12	26
	Industrial Engineer	GS-11	6
	Industrial Specialist	GS-11	21
	Industrial Specialist	GS-09	16

Question #7 (cont'd)

DRSAR-PD (CONT'D): None of the above are directly involved with that activity external to production and procurement function. Each of the above perform the function of a manager for customer peculiar requirement.

DRSAR-PP: Not Applicable.

DRSAR-PT: Not Applicable.

DRSAR-QA: The first tier of DRSAR-QA is organized by function and, in general, each of the major functions provides support to each item (at one time or another) during its logistic life cycle. The second tier of the DRSAR-QA (where appropriate) is organized by commodity (commonalty of items). The entire product assurance directorate (356 personnel QA specialists, engineers, statistician, and clerical support) is dedicated to performing the item management functions outlined in para 6 above.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 8

by Directorate

Question #8. Does any one individual perform all, or at least the minimum critical/essential functions?

DRSAR-AS: All RPOs perform as system managers.

DRSAR-CP: Negative report.

DRSAR-DA: Yes, all managers at GS-09 and above.

DRSAR-IL: Same as response to question 7.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: Not applicable.

DRSAR-MA: Yes.

DRSAR-MM: All item management functions are performed by those personnel in Grades 09, 11, and 12 listed in item 7.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative response.

DRSAR-PC: Not Applicable.

DRSAR-PD: Yes. DRSAR-PDM, DRSAR-PDA, DRSAR-PDV, DRSAR-PDS, and DRSAR-PDC.

DRSAR-PP: Not Applicable.

DRSAR-PT: Not Applicable.

DRSAR-QA: No.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 9

by Directorate

Question #9. How many people; and which functions?

DRSAR-AS: Approximately 42 RPOs.

DRSAR-CP: Negative report.

DRSAR-DA: Refer to responses to questions 6 and 7.

DRSAR-IL: Same as response to question 7.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: Not applicable.

DRSAR-MA: Same as response to question 7.

DRSAR-MM: All functions of item management are performed by 147 people in the GS-2010 series in Grades 09, 11, and 12.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: Not Applicable.

DRSAR-PD: Refer to question 5 for the functions and question 7 for the quantity as stated therein.

DRSAR-PP: Not Applicable.

DRSAR-PT: Not Applicable.

DRSAR-QA: Not applicable.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 10

By Directorate

Question #10. Does your directorate have any individuals identified as "Item Manager"?

DRSAR-AS: No.

DRSAR-CP: Negative report.

DRSAR-DA: Yes.

DRSAR-IL: No.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: No.

DRSAR-MA: Yes.

DRSAR-MM: Yes.

DRSAR-MS: No.

DRSAR-PA: Negative report.

DRSAR-PC: No.

DRSAR-PD: No. They are Production managers, however, as stated in paragraph 3, it is a working type term.

DRSAR-PP: None.

DRSAR-PT: Not Applicable.

DRSAR-QA: No.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

PRELIMINARY SURVEY RESPONSES

For Question 11

by Directorate

Question #11. How many? Which functions are performed?

DRSAR-AS: No response.

DRSAR-CP: Negative report.

DRSAR-DA: Refer to response to question 9.

DRSAR-IL: Not applicable.

DRSAR-IS: Not Applicable.

DRSAR-IM: No comment.

DRSAR-LE: Not applicable.

DRSAR-MA: Same as response to question 7.

DRSAR-MM: The 170 people in the GS-2010 series, Grades 09, 11, and 12 perform all functions of item management.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: Not Applicable

DRSAR-PD: How many? Refer to question 7 answer. Which functions are performed?
Refer to question 4. answer.

DRSAR-PP: Not Applicable.

DRSAR-PT: Not Applicable.

DRSAR-QA: Not applicable.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

Preliminary Survey Responses

For Question 12

BY Directorate

Question #12. If not, how are they identified? How many people; and which functions?

DRSAR-AS: Approximately 42 people are identified as Readiness Project Officers and are responsible for Item/System Management. See Incl 6A for list of Items/Systems.

DRSAR-CP: Negative report.

DRSAR-DA: Directorate personnel are identified as Item Managers.

DRSAR-IL: See Questions 7 - 9.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: This Directorate does not have item or material managers. Directorate needs are filled by configuration managers and malfunction managers who support production, project managers and field units.

DRSAR-MA: Not applicable.

DRSAR-MM: Personnel listed in item 7 in Grades 13 and 14 perform item manager functions on an as required basis and in a supervisory capacity.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: Principally, contract specialists. TDA of approximately 400; procurement functions and related support.

DRSAR-PD: Production managers. How many people; and which functions? Refer to question 7 and question 4 answer.

DRSAR-PP: Not Applicable

DRSAR-PT: No comment.

DRSAR-QA: See Question 7.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

Preliminary Survey Responses

For Question 13

By Directorate

Question #13: How are these functions/responsibilities performed within your directorate; i.e., what procedures, regulations, forms, reports, etc., are utilized?

DRSAR-AS: How are these functions/responsibilities performed within your directorate; i.e., what procedures, regulations, forms, reports, etc., are utilized? The Armament Systems Office follows the local SOP, ARRCOM Supplements, DARCOMR's 702-9, 700-34, 70-1, 75-1, 700-78, and ARRADCOM/ARRCOM General Agreement and the DARCOM LOI, 24 Nov 76.

DRSAR-CP: Negative Report.

DRSAR-DA: AR 15-2, AR 700-22, AR 725-50 prescribe forms, procedures and formats utilized in accomplishing Directorate's mission, but is only a partial listing.

DRSAR-IL: There are no ARRCOM procedures and this is the problem and the basis for the study on item management.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: AR 70-37, AR 75-1, ARRCOMR 10-1, ARRCOMR 702-8.

DRSAR-MA: DARCOM Regulation 750-20, 30 Sep 76, prescribes the special functions for APE program management and implementation. Other regulations and forms used in day-to-day operations are: AMCR 750-28, 740-18, 750-3, 755-8, 740-5, and 755-1. AR 725-50, 725-1 Chapter 8, 710-2, 310-34, and 735-5. TM 38-750 and TM 43-0001-47. DARCOM Forms 1277 and 1397R.

DRSAR-MM: In the execution of day-to-day duties, the item manager may use AR 725-50 and AR 755-1 or the Commodity Command Standard System (CCSS) equivalent for reference publications.

a. The forms used are: SCAN forms (DRSAR 825-1) for procurement direction, mini-inquiry sheets with attached cards and also blank milstrip cards for requisition processing and DPO transactions, CCSS reject listing with attached correction cards, and finally the keyed inquiry reply. At their discretion, managers may also receive responses by NSN from the Demand Return Disposal (DRD) and the Financial Inventory Accounting (FIA) file.

b. On a monthly basis, requirements determination activities are performed in accordance with AR 710-1 and its equivalent CCSS publications. This activity is accomplished by the Supply Control Study for Routinely Managed Items and the Item Management Plan (for medium and high dollar items). The decisions made on the basis of these forms are reviewed by the section chief using the "Unapproved Supply Control Study Report."

Question #13 (cont'd)

DRSAR-MM: (cont'd)

c. In addition to these reports, the major item manager uses a DF written up as a customer order document to trigger procurement activities, a classified report (H-530) to validate requisitions, and DARCOM forms in the 1570 series for changes to the SAMPAM and updating the AMP.

d. To monitor these various supply activities, a number of management reports are used:

(1) Budget stratification reports depict supply actions versus the background of future time frames and budget periods.

(2) The Supply Management Activity Report (SMAR).

(3) The Line Item Action Report (LIAR) gives the managers and supervisors summaries of activities their items are experiencing.

(4) The Eliminate Back Order Report (EBOR) codes items which have appears on supply control studies and may be approaching conditions that will generate back orders.

(5) The Operational Readiness of Supply Status (OROSS) listing ranks items by their activity levels on the basis of numbers of requisitions and then by dollar value.

(6) Eagle 3 is used by the supervisors to get a picture of outstanding dues-in by weapons system.

(7) Eagle 2 gives a picture of dues-out by weapon system.

(8) Eagle 1 reveals the overall readiness of each weapon system.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative Report

DRSAR-PC: Functions are accomplished in accordance with applicable laws, ASPR, AR's, AAP and other DARCOM, ARRCOM and Procurement Directorate procurement procedures and regulations. Listing of forms and reports is voluminous and can be provided if required.

DRSAR-PD: (Provided detailed response, given below).

a. Refer to question 4 answer for functions and responsibilities.

b. The following procedures and regulations apply:

- | | |
|----------------------|------------------------|
| (1) PD, SOP 5-7.1 | (18) PD, SOP 700-35 |
| (2) PD, SOP 11-1 | (19) PD, SOP 700-37 |
| (3) PD, SOP 37-120.2 | (20) PD, SOP 700-38 |
| (4) PD, SOP 700-3 | (21) PD, SOP 700-39 |
| (5) PD, SOP 700-29 | (22) ARRCOMR 10-1 |
| (6) PD, SOP 700-71 | (23) ARRCOMR 235-1 |
| (7) PD, SOP 735-1 | (24) ARRCOMR 700-1 |
| (8) PD, SOP 735-2 | (25) ARRCOMR 740-1 |
| (9) PD, SOP 735-3 | (26) ARRCOMR 700-8 |
| (10) PD, SOP 735-6 | (27) ARRCOMR 15-9 |
| (11) PD, SOP 700-4 | (28) ARRCOMM 15-12 |
| (12) PD, SOP 700-25 | (29) ARRCOMM 700-8 |
| (13) PD, SOP 700-47 | (30) ARRCOMC 715-2 |
| (14) PD, SOP 700-49 | (31) AR 37-200 Suppl 1 |
| (15) PD, SOP 700-50 | (32) ARRCOMM 37-7 |
| (16) PD, SOP 700-32 | (33) ARRCOMM 18-4 |
| (17) PD, SOP 700-34 | (34) ARRCOMM 15-13 |

Question #13 (cont'd)

DRSAR-PD: (cont'd)

c. The following forms/reports apply:

- | | |
|------------------------|--------------------------|
| (1) DD Form 1513 | (10) SARPP 101 Report |
| (2) DRSAR Form 900 | (11) AMSAR Form 619 |
| (3) AMC Form 1006 | (12) DA Form 1370 Report |
| (4) DRSAR Form 825 | (13) DD 250's |
| (5) FL 65 Form | (14) DD Form 448's |
| (6) AMSAR Form 208 | (15) DD Form 448-2 |
| (7) APARS Report | (16) AMC Form 1095 |
| (8) RSGLD 1369 Report | (17) DD Form 1348 |
| (9) DD Form 375 Report | (18) AMC Form 1538 |

DRSAR-PP: Not Applicable.

DRSAR-PT: AMCR 10-1, AMCR 570-4, CPR's 351 & 752.

DRSAR-QA: The product assurance function is one of support to the other major directorates within ARRCOM. Accordingly the regulations, procedures, reports, etc. are generally developed by the functional directorates and include product assurance support.

DRSAR-SA: Negative Report.

DRSAR-TM: No Comment.

"NOTE: See the Summary Section of this Appendix for a consolidated list of official publications and forms cited above."

Preliminary Survey Responses

For Question 14

By Directorate

Question #14. How is your directorate organized for the performance of these functions/ responsibilities; i.e., functionally or by item (commodity)?

DRSAR-AS: System basis.

DRSAR-CP: Negative report.

DRSAR-DA: By item or group of items within Sections.

DRSAR-IL: This directorate is organized functionally.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: Commodity.

DRSAR-MA: Functionally for Ammunition Peculiar Equipment. National Maintenance Point responsibilities for APE are renovation, maintenance, preservation/ packaging, surveillance inspections, and demilitarization. Inventory manager and supply clerk perform NICP actions.

DRSAR-MM: Item managers in DRSAR-MM are organized by commodity. However, support activities such as Distribution (requisitioning and stock control) and Procedures Divisions are organized on a functional basis. The cataloging Division is also basically organized along functional lines, the one exception being the Item Identification Branches which are organized by commodity.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: This directorate is functionally organized, i.e., procuring divisions (Ammo, Weapons, GOCO, Secondary Items), Policy & Management Division and Financial Analysis and Cost Estimates Division.

DRSAR-PD: By major items (commodities).

DRSAR-PP: No comment

DRSAR-PT: No comment.

DRSAR-QA: See Question #7.

Question #14 (cont.)

DRSAR-SA: Negative report.

DRSAR-TM: The Transportation and Traffic Management Directorate is organized along functional lines, basically supporting the Field Service and item mission and the Procurement/Production component mission.

Preliminary Survey Responses

For Question #15

By Directorate

Question #15. What items, material, or commodity are "managed" by your directorate?

DRSAR-AS: See incl 6A.

DRSAR-CP: Negative report.

DRSAR-DA: Class 5 (Ammunition) is the commodity managed by the DASD.

DRSAR-IL: No items as such are "managed" by this directorate (in the true sense of Inventory Management). However, all ARRCOM items are "controlled" by this directorate as is required to meet the requirements of our IL customers. We do attempt to manage those items for which there is an IL requirement and no command Item Manager is assigned.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: The configuration of all ARRCOM fielded materiel, not controlled by a Project Manager, is managed by this Directorate. The Division Chief is the configuration manager for all of the systems/items in his Division. There is a Division for Infantry, Aircraft and Air Defense, Artillery, Armor and Chemical Systems/items.

DRSAR-MA: Ammunition Peculiar Equipment.

DRSAR-MM: Commodities managed by DRSAR-MM at ARRCOM include:

<u>CLASS</u>	<u>SUBCLASS</u>	<u>DEFINITION</u>
II, VII	M	Weapons includes small arms, artillery, fire control systems, air defense weapons, self-propelled artillery, rock launchers, machine guns, etc.
II, VII, IX	Z	Chemical includes chemical items such as gas masks, decontaminators, and smoke generators.
II, VII, IX	B	Troop Support Materiel includes sets, kits, and outfits (consists of tool and equipment sets and shop/equipment sets for performing organization, direct support, general support, and depot level maintenance operations).
VII, IX	N	Special Weapons - Class VII includes weapons systems which deliver nuclear munitions. Class IX includes repair parts for Class VII - N.

Question #15 (cont.)

DRSAR-MM: (cont.) DRSAR-MM will no longer manage Class V materiel on 1 Oct 77. The few exceptions to this policy will be Class V materiel that is stock funded and also a secondary item. In addition to the above information, an extract of ARRCOM Reg 10-1 citing what materiel is assigned to ARRCOM has been supplied at Inclosure 15A. Those items not assigned to DRSAR-MM are lined out.

DRSAR-MS: Not applicable.

DRSAR-PA: Negative report.

DRSAR-PC: Procurement Directorate is a service organization and as such does not manage an item other than while in the procurement cycle.

DRSAR-PD: Ammunition, ammunition components, raw materials, weapons, and weapon components.

DRSAR-PP: None.

DRSAR-PT: No comment.

DRSAR-QA: None.

DRSAR-SA: Negative report.

DRSAR-TM: No comment.

Preliminary Survey Responses
For Question #16
By Directorate

QUESTION #16: How does your directorate view the HQ, ARRCOM mission; i.e., is it functional or commodity oriented, and why?

DRSAR-AS: Functional but system oriented because this is the new way of doing business under the DARCOM concepts.

DRSAR-CP: Negative Report.

DRSAR-DA: It is felt that the ARRCOM mission is structured around a commodity orientation.

DRSAR-IL: Both, in order to obtain expertise needed in all fields to satisfy the command's mission.

DRSAR-IM: No Comment.

DRSAR-IS: HQ, ARRCOM mission is commodity oriented. Determination made by DA that commodity grouping makes the Army supply system more workable.

DRSAR-LE: ARRCOM is commodity oriented with responsibility for guns, ammo; fire control, assigned chemical systems and associated support equipment.

DRSAR-MA: Functional, it is organized toward giving the management responsibility to that office/directorate best prepared to handle it.

DRSAR-MM: The overall HQ, ARRCOM mission is aligned on a functional basis. This alignment is required to maximize the workforces potential and to enhance efficiency. However, within the individual directorates, the commodity orientation can and often does become a more effective method of management. Item management is a prime example of the advantages of having a commodity orientation within an overall functional alignment. The commodity orientation enables this Directorate to combine available expertise in any given commodity into one centralized location. In addition, this Directorate is currently in the process of extending the commodity orientation concept an additional step. By utilizing the same personnel, we are implementing a Weapon System Team management technique. This helps promote the free interchange of all pertinent information and helps disseminate any new developments among those personnel having the need to know. The commodity orientation also enables this Directorate to provide a central contact point to other Army activities and outside agencies.

DRSAR-MS: Commodity oriented. Our mission is to supply the assigned commodity to the using elements. Our job includes keeping the fighting forces equipped with the best weapons and most reliable munitions possible in a timely manner and to be able to respond to emergencies without delay.

QUESTION #16 (cont'd)

DRSAR-PA: Negative Report.

DRSAR-PC: HQ, ARRCOM is a commodity command and as such has responsibility for assigned commodities. HQ, ARRCOM is functionally organized as different directorates have responsibilities for different functions.

DRSAR-PD: It is functional by directorate and commodity oriented within directorates (with the exception of DRSAR-IL which is country oriented). It is organized as such because of specialization of fields of interest.

DRSAR-PP: ARRCOM is a functional commodity command since we have an active procurement mission in support of the NICP (PICA).

DRSAR-PT: The HQ, ARRCOM mission is commodity oriented, i.e., artillery weapons, infantry weapons, etc., as spelled out in DARCOMR 10-71.

DRSAR-QA: Functional! The ARRCOM mission is the same as that for an item manager (re: Question 3) except that it includes a multitude of assigned items. With slight modifications ARRCOM could perform the function for any Army commodity - i.e., the logistic life cycle functions for all Army commodities are basically the same.

DRSAR-SA: Negative Report.

DRSAR-TM: The HQ, ARRCOM mission is basically oriented along functional lines predicated upon the magnitude and complexity of the mission.

Preliminary Survey Responses

For Question #17

By Directorate

Question #17. How does your directorate view the HQ, ARRCOM organizational alignment; i.e., is it basically centralized or decentralized, and why?

DRSAR-AS: Decentralized.

DRSAR-CP: Negative report.

DRSAR-DA: It is basically decentralized along Commodity lines, but centralized within a commodity, i.e., ammunition. It is, however, pointed out that other functional Directorates such as Maintenance and Production have personnel who identify themselves as item managers having responsibility for a narrow range of management, exercised over a specific group of items. This identification and the function performed are not considered duplicative since they are aimed (in the case of Production Directorate) at controlling the flow of componentry and supplies into a LAP operation to facilitate the uninterrupted scheduling and accomplishment of production of Ammunition items for supply which are then turned over to the DASD Item Manager for centralized Supply Management.

DRSAR-IL: Basically decentralized, because as stated in Question 16, expertise in all fields are needed in each area to perform required functions. Even though this directorate does not have Item Managers per se, we still have individuals who are familiar with specific items in order to provide our customers with required data.

DRSAR-IS: The HQ, ARRCOM organizational structure is basically centralized.

DRSAR-IM: No comment.

DRSAR-LE: It is decentralized since ARRCOM is responsible for logistic engineering functions for items which have transitioned from ARRADCOM and ARRADCOM has design engineering responsibility throughout the life cycle of the item.

Organizational alignments also indicate decentralized management since all of the Directorates (LE, QA, AS, MA, MM, PC, PD, etc.) are separate Directorates each having separate mission and functions in support of the ARRCOM function.

DRSAR-MA: Basically centralized by subject or function, however, inventory management is decentralized.

DRSAR-MM: Basically, the ARRCOM organizational alignment in the context of item manager responsibility, defined in 3, is viewed as centralized for the majority of ARRCOM managed items. These items have one very important common factor, they can be managed through the CCSS. This centralization of organizational alignment lends efficiency to our operations by maximizing computer utilization through CCSS.

Question #17 (Cont.)

DRSAR-MS: Basically centralized by function. Probably the most feasible approach for commodity management.

DRSAR-PA: Negative report.

DRSAR-PC: HQ, ARRCOM organizational alignment is decentralized. Responsibility to act in behalf of the commander is delegated to lower level operating officials.

DRSAR-PD: It is basically decentralized because of the vast size of the mission and wide diversification of interest fields.

DRSAR-PP: We have a decentralized organization since DRSAR-MM and DRSAR-PD have Item Manager responsibility. Although one manages the major item and the other repair parts and components, coordination would be better if they were both located in one directorate.

DRSAR-PT: The HQ, ARRCOM organizational alignment is basically decentralized. Although there are some overall indirect controls (e.g., budgets, policies, etc.) the day-to-day operating decisions are decentralized at directorate/division level.

DRSAR-QA: The ARRCOM organizational alignment is both centralized and decentralized - often within the same functional directorate. This is the way it should be in order that we may exercise the flexibility of applying intensive management (PM is the top of the heap) on items requiring the effort and yet relax the degree of management on those items that do not require it. This provides for the maximum utilization of our resources.

DRSAR-SA: Negative report.

DRSAR-TM: The Headquarters, ARRCOM organizational alignment is essentially decentralized predicated on the magnitude and complexity of the mission and the level of expertise required to perform in each functional area.

Preliminary Survey Responses

For Question #18

By Directorate

Question #18. Which should it be? Why?

DRSAR-AS: The reorganization allows staff elements directorate level decision eliminating the time required in centralized decision making.

DRSAR-CP: Negative report.

DRSAR-DA: The present structure from a control standpoint appears to be properly responsive to the needs of the traditional customers in the field. As such, the present system should continue regardless of how it is identified (either centralized or decentralized) until some material benefit would be generated thru change.

DRSAR-IL: Centralized - Expertise is needed in total management of the item.

DRSAR-IS: No comment.

DRSAR-IM: No comment.

DRSAR-LE: Decentralized with respect to Directorate mission and function in support of the ARRCOM mission. This permits each Directorate to function with a clearly defined mission eliminating duplication and confusion as to responsibility and authority. However, with support to TDP's, it is imperative that responsibility transition to ARRCOM when the item transitions. This then would provide the authority (control) over the TDP as determined by the need (priority) along with the responsibility to procure. Current dependence upon ARRCOM for certified TDP's segregates responsibility for procurement with the authority to control required activities leading to procurement.

DRSAR-MA: Management responsibilities should be centered in the function most suitable to apply it.

DRSAR-MM: It should be centralized to the maximum extent practicable for the reasons stated in para 17.

DRSAR-MS: Centralized - Most efficient.

DRSAR-PA: Negative report.

DRSAR-PC: Decentralized. Decision to act at a lower level is more efficient and effective providing authority along with responsibilities.

DRSAR-PD: Decentralized, because of specialization by function and efficiency.

Question #18 (Cont.)

DRSAR-PP: Centralization would be better. This would allow for better procurement and logistical planning. It would insure that provisioning was accomplished in the right time frame and would insure that engineering changes to the major item would immediately be reflected in the repair part and component support and the Depot stock of these parts.

DRSAR-PT: The basic organizational structure of HQ, ARRCOM (and all other DARCOM major subordinate commands) is prescribed by AMCR 10-1. This uniformity of structure allows for counterpart elements both with lateral command and higher echelon. This also permits ease of application of overall policies, procedures, objectives, etc.

DRSAR-QA: See question 17.

DRSAR-SA: Negative report.

DRSAR-TM: Decentralized management is considered the proper organizational alignment for the reasons noted previously.

Preliminary Survey Responses
For Question #19
By Directorate

QUESTION #19: What factors and impacts should be considered in addressing centralized versus decentralized item management?

DRSAR-AS: No Comment.

DRSAR-CP: Negative Report.

DRSAR-DA: The primary factor to be considered in any such determination is, what functions are served by the present organization and can that function be improved or made more efficient or effective, in total, by the considered changes.

DRSAR-IL: How to organize a centralized Item Manager function; where manpower will come from; training of new individuals.

DRSAR-IM: No Comment.

DRSAR-IS: No Comment.

DRSAR-LE: Goals of the item/material manager should be reviewed in light of the advantages/disadvantages of centralized versus decentralized management. Financial advantages, scheduling, manpower and performance should be addressed as indicators of the most successful method of management.

DRSAR-MA: Efficiency, effectiveness, and control. Also resources must be identified, spaces reallocated, and personnel reassigned.

DRSAR-MM: Although centralization of item management activities should be attained whenever possible, there are always exceptions to the rule. One of the more important factors to be considered should be the compatability of certain items or commodities to CCSS. Transferring functions for the sake of centralization without regard to systems compatability and peculiarities of certain items or commodities would not constitute good management techniques.

DRSAR-MS: Mission Accomplishment.

DRSAR-PA: Negative Report.

DRSAR-PC: Consideration must be given to demands upon managers and time available to them to make all decisions within their perview of responsibility. Centralized management inherently creates bottlenecks in the decision process.

DRSAR-PD: Efficiency, quality of work, specialization in managing large dollar programs and hardware.

QUESTION #19: (cont'd)

DRSAR-PP: The current PICA/SICA considerations only highlight the need for a centralized item managership. DRSAR-MM is to be questioned on PICA considerations of nonconsumable items, and the right office is DRSAR-PD. This is a dangerous situation since the answers being provided might not all be the problem areas and total considerations necessary.

DRSAR-PT: Some factors which should be considered are as follows:

a. With centralization:

- (1) Duplication of functions is minimized.
- (2) Uniformity and consistency of decisions and actions throughout the organization can be secured.
- (3) The scope and volume of work at the top level justify hiring highly qualified specialists.
- (4) Unusually talented personnel have the widest arena for their skills.
- (5) Less-skilled managers can fill lower level positions.
- (6) Power and prestige are provided the chief executives, serving also as motivation for lower managers.

b. With decentralization:

- (1) Personnel assume wider responsibility at lower levels, developing from specialists into generalists and creating a supply of managers experienced in general administration.
- (2) The delegation of authority relieves the burden on the top managers.
- (3) Effective management teams develop at a lower level.
- (4) Where geographically dispersion of operations is involved, decentralization of authority allows the local manager to meet and take advantage of local conditions.
- (5) Innovations can be introduced in one division to have the problems resolved before instituting them on an organization-wide basis.

DRSAR-QA: We should strive to achieve an optimal mix of both centralized and decentralized management - neither alone can provide the desired result. The advantages of one become the disadvantage of the other. For example, decentralization results in the pooling of expertise within functional directorates whereas centralization (without additional resources) results in dilution of expertise by siphoning personnel from the pool.

QUESTION #19 (cont'd)

DRSAR-SA: Negative Report.

DRSAR-TM: Factors to be considered in addressing management concepts should include those mentioned previously.

Preliminary Survey Responses
For Question #20
By Directorate

QUESTION #20: Additional Comments.

DRSAR-AS: None.

DRSAR-CP: Negative Report.

DRSAR-DA: None.

DRSAR-IL: It is the position of this directorate that a centralized system of item management be established with total responsibility for an item. Questions involving an item would be directed to this centralized area.

DRSAR-IM: No Comment.

DRSAR-IS: None.

DRSAR-LE: None.

DRSAR-MA: Inventory/item managers pertain to functions of a National Inventory Control Point, and that is what is mainly addressed in this survey. National Maintenance Point functions are performed by Maintenance Management or Equipment Specialists and are not item manager per se. The Maintenance Directorate only has two item managers, and that is in the APE area.

DRSAR-MM: It would appear from the makeup of this preliminary survey that it is directed primarily toward Directorates "other than" Materiel Management. In order to provide the proper analysis to such data, it is necessary to have a base upon which to measure the various responses. Item management, commodity management, or systems management is the primary function and responsibility of this Directorate. It is inherent to the Army logistics structure that only DRSAR-MM can supply this data base. All other item management functions at ARRCOM are exceptions to the rule and should not be considered the "norm." For these reasons and other considerations it would seem that this Directorate should be included in SAG. Other considerations would include the criteria for the composition of SAG. As stated in that criteria, the group should consist of top level ARRCOM staff who can provide guidance in at least two key areas. These areas include Command organization philosophy and ARRCOM item management responsibilities and interfaces. The latter is clearly the realm of DRSAR-MM. The factor of "impartiality (but may be involved)" as stated in the composition of SAG would appear to exclude in-depth expertise in the item management area. This Directorate does not feel impartiality should be an overriding factor at the expense of expertise. The final point to be made in this discussion of impartiality is to point out that both the Chairperson of SAG and the Leader of the Primary Working Group come from a Directorate which we assume includes areas to be considered in this study of "item management."

QUESTION #20 (cont'd)

DRSAR-MS: None.

DRSAR-PA: Negative Report.

DRSAR-PC: None.

DRSAR-PD: None.

DRSAR-PP: It is the opinion of this office that item management should be vested in one command directorate.

DRSAR-PT: None.

DRSAR-QA: Definitions for "major item", "secondary item", and "component" are contained in AR 310-25.

DRSAR-SA: Negative Report.

DRSAR-TM: None.

rebuild schedules obtained from various sources and other segments of ARMOON establish factors for computing requirements by time periods and developing budget estimates and forecasts. Applies item knowledge in the analysis of individual studies, to make recommendations concerning procurement actions, production schedules, rebuild requirements, assembly requirements, increased requirements to meet known or anticipated needs.

b. Conducts special recurring and nonrecurring requirements studies which are adjunct to the Materiel Planning Program, OSD Selected Item Status Report, End Item Densities Programming Data, Troop Programs, Retrofit Orders, and Assembly Schedules to reflect requirements vs. assets on items requiring procurement action; special control studies to reflect requirements vs. assets broken down to serviceable assets, unserviceable repairable assets, customer assets, requirements, and obligations; repair-rebuild studies to develop requirements information required for and including evaluation and determination of priorities of repair-rebuild projects and schedules and program projects; allocation studies to develop recommended allocation of stock for use by Army, International Logistics, Strategic Reserve, other customers; studies to identify stocks which are unserviceable and excess to needs for disposal following branch procedures and implementing instructions outlining format, sources of data, and method of computation.

2. DISTRIBUTION MANAGEMENT:

a. Recommends distribution of items to major commands, and storage depots, and assembly sites based on the review of delivery schedule, issue history of item, know troop requirements, and assets at depots. Initiates shipping orders to accomplish approved distribution.

b. Conducts preliminary study of excess reports from overseas and CONUS installations to determine recommended disposition of assigned item, considering distribution of assets, future needs in the area, transportation costs, need for materiel in another theatre, and condition of the materiel. Recommends disposition such as dispose locally, hold for International Logistics or future training, ship to other theatre or return to CONUS for future requirements, indicating proposed storage site for evaluation by excess review panel and distribution panel.

c. Reviews requisition to insure item is authorized for issue and item requested meets the needs of the requisitioner; clarifying problems on items with maintenance directorate personnel and/or requisitioner or overseas supply agency; determining availability from daily stock status report; and selecting stock and depots considering such factors as CR code, stock-balance at the various depots and anticipated demands on area depots, forced issue item, substitution, cost of modifying item pack vs. shipping costs, and proximity of delivery points to issuing points. Contacts the Procurement Agencies to ascertain if items out of stock in Field Service accounts are available from industrial stocks. Identifies depot(s) having available stock of items, selecting depot, and initiates appropriate documents (e.g., shipping order with pertinent instruction, notification of substitution to requisitioner(s)). Contacts depots by

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telephone to direct the shipment of items to meet emergency or priority delivery dates. Contacts transportation for assistance, if possibility of consolidating shipments is evident.

3. PROCUREMENT DIRECTION:

a. Initiates procurement requests to the Procurement Agency citing quantity and dollar authorization, customer, and required date and priority. Screens authorization against requirement documents to insure scheduled procurement is in conformance with requirements. Recommends cancellation or "cut-back" of quantities in event of decreased requirements. Reviews Procuring Agency indorsement schedules to ascertain if criteria of request can be met within limits. Develops justification regarding the revision of authorization.

b. Initiates procurement request to the Procuring Agency citing quantity and dollar authority, customer and required date based on MIPR which cannot be filled from stock. Initiates procurement request to DNA for AEC designed items.

4. CATALOG DIRECTION:

Processes cataloging actions received from Cataloging and Maintenance elements leading to changing, adding or deleting of items from the AMDF. Participate in the Inactive Item Review Program for deletion of inactive item from the AMDF. Initiates action for removal of items phased out of the supply system. Reviews items for price changes based on procurement costs, changes in BII configuration and Set conformity.

Performs other duties as assigned.

"I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations."

(Signature of Immediate Supervisor)

(Date)

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PRODUCTION MANAGER FUNCTIONS (WEAPONS)

1. Develops and executes overall program responsibility involving the preparation of budgetary estimates; the determination of specific material and services needed for planned force structure; determination of lead times; determination of quantities needed within annual procurement cycles; incorporation of such information into the Five-Year Defense Program and Army Materiel Plan; and translation of the AMP into detailed budget justifications.
2. Develops execution schedules consistent with the approved programs assuring the work schedules are properly correlated to allow all items to come together at the proper place and time for final assembly.
3. Accomplishes any required reprogramming and reviews forecasted obligations, deliveries costs and expenditures for reasonableness.
4. Reviews complex contractual arrangements to determine that only firm requirements are retained.
5. Prepares explanations of special interest items or deviations from planned performance, in terms of time, technical specifications or financial requirements.
6. Translates program estimates into specific fund requirements assuring that such requirements are appropriately balanced with program assignments.
7. Determines to whom or how the funds or program authority should be distributed for obligation; assures that distribution of funds takes place, and that fund resources are applied only to firm requirements.
8. Establishes procurement and production capabilities including availability of procurement technical data, production lead times, production build-up rates, total production capacity, facilities investments and material and production engineering costs. Prepares detailed procurement and production plans.
9. Forecasts obligations, deliveries and expenditures in terms of dollars, units of measure, time or as quantitative performance.
10. Prepares and/or reviews both standard recurring reports prescribed by regulation and special nonrecurring reports as necessary.
11. Participates in contract pre-award and post award conferences.
12. Performs production surveillance over GOGO, GOCO and COCO facilities.

• DRSAR-PDM Program Execution Functions

1. Receive Program Directive/Change Request, DRSAR Form 1006c and analyze for completeness, accuracy and feasibility based on current production costs, procurement leadtimes and production facilities.
2. Initiate and maintain Requirement, Production and Acceptance Record (AMSAR Form 478) from information provided on and after analysis of DRSAR Form 1006c .
3. Initiate and prepare documentation for management control of the program including AMSAR Form 458-1 (End Item Control) for posting of funds and establishment of program folder.
4. Receive, review and update 603 planning sheet (with DRSAR Form 653-3) for those criteria first established during planning. This includes analysis for change to load plant assignment as a result of workload studies, changes to component breakout, determination of need for additional funds, correct costs and realistic production schedules. If available funds are determined to be insufficient as a result of the analysis of quantity vs. dollars, a Program Change Request PCR (Form FL 65) is processed requesting additional funding authority.
5. Form 825-1's, input to the computerized Procurement Work Directive (AMC Form 1095) generation system, are prepared for all elements of the purified 603 printout which include:
 - a. LAP of the end item
 - b. Components
 - c. LAP of components
 - d. Proof and Acceptance (P&A)
 - e. Quality Assurance
 - f. General Support (Engineering)

Upon preparation and issuance of the Form 825-1's, management control is maintained by posting and updating the adjusted dollar balance of the program on the End Item Control, AMSAR Form 458-1.

6. Prior to final solicitation action the procurement package is reviewed for correctness; specifically for PRON numbers, quantities, delivery dates and drawing numbers and NSN's.

7. Participate in Pre-award survey to assure prospective contractor(s) exhibits the capability to perform under the scope of work required, such as, necessary technical expertise, adequate labor market production tooling and equipment, inspect and test equipment, organizational structure and financial status.

8. Participation in Board of Awards prior to contract action to assure that the production needs are being met. Input to the Board may be data and information gained from participation in a pre-award survey during which production capability is ascertained. Results of these activities are Notification of Award Form 617 and the receipt of applicable portions of the contract Form 901.

9. Contract folders are established for the management of data and control of deliveries (Contract Production Status) (Shipment Register Form 488) and Material Inspection and Receiving Report (DD Form 250).

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AMMUNITION

DRSAR-PDM Program Planning Functions

1. Coordinate with the design agency and acquire information regarding future items of ammunition procurement.
2. Establish Item Breakout, estimated procurement factors and estimated component cost breakout. On reorder items, the component breakout and procurement factors are reassessed. Application of residual industrial stocks from previous orders are identified and applied. Plant assignments are identified.
3. Receive projected FYDP requirements for the item and prepare the AMSAR Form 480, Analysis of PEMA Programs. Data identified consists of the component breakout, recommended procurement factors, application of stock, quantities of individual components to be procured, estimated cost breakout/allocation of funds by component and engineering support funding requirements.
4. Coordinate/solicit the supporting technical agency and acquire the Engineering Direct Support Program funding requirements.
5. Coordinate the preparation of the procurement plan.
6. Support preparation of SAMPAM during budget and apportionment phase which will result in a developed P-1 of projected requirements.
 - a. Prepare the Exhibit P-21 forms for budget and apportionment (Jul - Jan) (DRSAR Form 4252).
 - b. Coordinate input to the Exhibit P22 form.
 - c. Provide production management expertise during the formal DA SAMPAM Reviews.
 - d. Update P forms based on DA review.
 - e. Reconcile current production schedule and programs with the NICP for input into WARS Report (RCSL 1322) which is partial basis for projected planned quantities.
 - f. Review and coordinate shopping lists from USN, USAF, USMC and other customers for consideration and input to planning activity.
 - g. Review current buy programs and programs previously included (RCS 1092).

7. Determine probable make or buy decision so that planning plant assignments can be made. This will allow development of planning Form 501 LAP schedules. Posting of requirements to Preliminary Work Plans (PWP) would be accomplished during this time-frame.

8. In making plant assignments workload studies would be conducted for GOCO/GOGO/COCO considering such factors as cost, personnel, necessary facilities, mobilization. Participation in mobilization planning exercises for site selections and modernization would also be accomplished.

9. Prepare 603 breakout data for new items and update previous input on reorder items. Data determined and input into the 603 ADP system consists of the element identifiers, action offices, component drawing/specification numbers, nomenclatures, estimated component unit costs, procurement factors, application of industrial stocks, assignment of plants and delivery schedules.

10. Coordinate and support program planning changes and requests from DA, DARCOM and other agencies.

11. Analyze and provide availability data to requests for Price and Availability on FMS/Customer inquiries.(DRSAR Form 900)

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DRGAR-PDM Production Surveillance, Analysis and Corrective Action Function

1. Participate in Post-Award Conferences to inform the contractor of criticality of production deliveries, answer production oriented inquiries, identify production process peculiarities and establish working relationships with the contractor.
2. Intensively manage the Load Plants production deliveries thru implementation of the Form 501 Production Acceptance Schedule report. Monthly meetings are conducted with Load Plant personnel to discuss delivery schedules, quantities, priorities, production problems and resolutions etc. Load Plant schedules are continuously monitored to reflect the most advantageous posture with respect to changing requirements, production costs, personnel utilization and contractual triggers.
3. Management of and monitoring component delivery (GFM) to the Load Plants to assure meeting production schedules. This very significant responsibility is accomplished thru continuous informal contact with the responsible DCAS organization and formal receipt of DD Form 250's and DD Form 375 Production Progress Reports submitted by the contractors. Documents are posted to the program shipment register and filed.
4. Preparation and monthly updating of the Preliminary Work Plan (PWP) Form 378 as a management tool reflecting component delivery by individual contractors, stock applications, not-on-contract component delivery requirements and summary of components available by month against monthly requirements at the Load Plants.
5. Perform component usage analysis to update the procurement factors by addressing manufacturing losses, in-process testing losses and acceptance test losses.
6. Analyze and prepare program adjustments relating to:
 - a. Contract modifications due to a change in scope-of-work, quantity to be delivered, engineering change to tech data package, etc.
 - b. Price or quantity increase or decrease requests submitted by the Procuring Contracting Officer (PCO).
 - c. Program Directive/Change Request (Form 1006c) submitted by the comptroller which require issuance, decommitment or return.

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d. Program change requests submitted to the comptroller requiring increases or decreases to quantities and funds.

e. Program Adjustment Document, Form 187 submitted by the comptroller.

7. Act as the point of contact for all production related activities. Coordinates activities relative to load plants, engineering support, quality assurance, procurement, safety, NICP material management, comptroller and project management.

8. Analyzes, coordinates and participates in the investigation and resolution of production problems relative to the end item and components, manufacturing processes, equipment failures and explosive incidents. Frequently requires extended on-site TDY.

9. Evaluate production manufacturing equipment layouts, operating procedures, methods and standards and production capabilities to identify areas for optimum production efficiency.

10. Coordinates with the technical agencies for normal production support. This includes:

a. Review and control of supplemental fund justifications from the agencies.

b. Issuance of funds via PWDs.

c. Review and issuance of funds to test agencies for Ballistic Test Requirements (BTR).

d. Review BTR test results for item release to the NICP.

e. Provide shipping instructions for industrial components and/or special assemblies to test agencies for use in special studies/tests or for the evaluation of waivers or malfunction investigations.

f. Review request for and issue funds to perform engineering studies. Evaluate results of the studies.

11. Maintain accounting of funds on the End Item Control Form 478 for each program authorization received.

12. Maintain cognizance of latest contract prices for end items and components.

13. Reviews residual end item, component, packing material and related items, stock status inventories and provides instructions for disposition of non-usable/non-repairable assets.
14. Evaluate and provide retention codes for industrial stocks.
15. Perform special studies directed by higher headquarters relating to ammunition costs, increases/decreases in program authorization/planning, end item deliveries and support.
16. Participates in the preparation and presentation of briefings to Command Staff and higher authority.
17. Participates in the CALS (Committee for Ammunition Logistics Support Distribution Plan) review.
18. Prepare and participate in MIPR reviews, providing program status and production management expertise.
19. Coordination with USN, USAF, USMC and other customers relative to production activities being accomplished by the Army on their behalf.
20. Prepare on a repetitive basis, the following reports:
 - a. Progress Report of Production Schedule and Acceptances, RCS: CSGLD 1370(R1) (Monthly)
 - b. Progress Report on PEMA Contracts - Forecast of Budget Year Contracts, RCS: CSGLD 1369(R1) DA Form 3147b (Monthly)
 - c. Monthly World Wide Ammunition Requirements and Assets Report RCS: CSGLD 1322 (Feeder for) ARMCOM Form 134-R (Monthly)
 - d. Production Schedule (Exhibit P-21) (RCS: 1092) DRSAR Form 4254 (Bi-annually)
 - e. Production Acceptance Schedule, DRSAR Form 501 (Monthly)
 - f. Weekly Significant Action Report (Narrative Form)
 - g. Status of other DOD Customer MIPR/Purchase Orders, RCS: Exempt DRSAR Form 358 (Monthly)

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Reports Prepared and Input by DRSAR-PDM

1. Progress Report of Production Schedule and Acceptances, RCS: CSGLD 1370(R1) (Monthly)
2. Progress Report on PEMA Contracts - Forecast of Budget Year Contracts, RCS: CSGLD 1369(R1) DA Form 3147b (Monthly)
3. Monthly World Wide Ammunition Requirements and Assets Report RCS: CSGLD 1322 (Feeder for) ARMCOM Form 134-R (Monthly)
4. Production Schedule (Exhibit P-21) (RCS: 1092) DRSAR Form 4254 (Bi-annually)
5. Production Acceptance Schedule, DRSAR Form 501 (Monthly)
6. Weekly Significant Action Report (Narrative Form)
7. Status of other DOD Customer MIPR/Purchase Orders RCS: Exempt DRSAR Form 358 (Monthly)

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Forms Requiring DRSAR-PDM Preparation and Input

1. Preliminary Work Plan, AMSAR Form 378
2. Request for Funding Action, DRSAR Form FL 65
3. Analysis of PEMA Programs, AMSAR Form 420
4. Shipment Register, AMSAR Form 488
5. PWD Input, DRSAR Form 825-1
6. End Item Control, AMSAR Form 458-1
7. ARMCOM Major Item Planning Sheet, Form 603
8. Request for Issuance of Shipping Instructions, AMSAR Form 556
9. Fact Sheet (ARMCOM 340-1) AMSAR Form 7
10. APE Account Control Register, AMSAR Form 609
11. Telephone or Verbal Conversation Record, DA Form 751
12. Work Sheet, ARMCOM Form 42-R
13. Input to Program (Form 603 Input) AMSAR Form 653, 651-1, -2, -3
14. Derivative Work Schedule, AMSAR Form 208
15. Procurement Work Directive, AMC Form 1095h.
16. Program Directive/Change Request, AMC Form 1006c
17. Ammunition/Weapon Production Support Summary, DRSAR Form 215
18. Summary of PEMA Support Engineering ARMCOM Form 124-R
19. General Support Engineering Project Justification, ARMCOM 127-R
20. PEMA Production Support Cost Summary, AMSAR Form 544
21. Disposition Form, DA Form 2496

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22. Requirement, Production and Acceptance Record, AMSAR Form 475
23. Price and Availability Documentation, DRSAR Form 900
24. MIPR's DD Form 448/448-2

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30-35. Functions. Perform inventory management functions set forth below for all materiel classified as turret 7 cannon materiel and associated items:

- a. Perform integrated materiel management of assigned major and secondary items and repair parts through: cataloging direction, requirements computation, procurement direction, rebuild direction, disposal direction, distribution direction and budgeting data input.
- b. Accumulate, analyze and purify asset, demand, historical and technical data for utilization in requirements computation.
- c. Execute supply programs contingency plans, and related mobilization plans.
- d. Maintain and execute distribution patterns within DARCOM distribution depot complex.
- e. Develop and provide data for budget projections and financial management and other supply management programs.
- f. Defend the directorate position in make or buy committee, configuration control board and the component breakout committee as directed.
- g. Execute logistics plans through coordination with other installations and activities, DARCOM, DA, project, product, and commodity managers.
- h. Initiate action to procure, rebuild, dispose, redistribute, or recall assets from the property disposal officer, assemble, disassemble, or cannibalize as appropriate consistent with requirements determination and within logistical and budgetary limits.
- i. Analyze requirements to assure equitable allocation of limited assets consistent with urgency of needs, relative priority, and other management constraints.

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j. Introduce new materiel into the acquisition process and schedule obsolete items for phase out and assure utilization of excess stock prior to initiation of disposal action. Direct disposal as required.

k. Process customer requisitions which require management decisions.

l. Execute the Materiel Readiness Program for assigned items.

m. Provide inventory management data for publication in supply bulletins, need to return lists, automatic return lists, and materiel management information letter.

n. Perform supply management of assigned major items through:

(1) Computation of requirements and providing data for development of the Army Materiel Plan.

(2) Direction of rebuild of unserviceable assets.

(3) Direction of disposal of excesses.

(4) Initiate procurement for assigned major items, where authorized for those programs under direct control of DA, and reconfirm requirements for procurement upon approval of programs.

o. Maintain current record of assets.

p. Assist in the development and execution of the major item distribution plan.

q. Compute requirements for support contingency plans and related mobilization plans and reserve assets.

r. Provide programming and scheduling data and monitor world-wide management of depot overhaul and repair work authorizations for assigned major items.

s. Control items shipped in excess of authorized allowance to insure inclusion in appropriate TA and/or TOE or return to stock if issued on a loan basis.

t. Coordinate gains or losses with cataloging and other DOD activities as necessary.

u. Develop and maintain world-wide levels of supply, mobilization, and other authorized reserves in support of world-wide item population.

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v. Provide materiel necessary for the reclamation of unserviceable economically repairable items.

w. Perform supply control studies in accordance with dollar value schedules and special requirements for studies.

x. Develop data required for the projection of budgetary estimates in financial inventory and stock fund accounting.

y. Compute mobilization reserve requirements and initiate procurement within available funds and guidance.

z. Establish depot stock levels, stockage pattern and reorder points, based on major item density and/or item demand history.

aa. Initiate procurement of assigned items; designate appropriate level of protection; initiate action to expedite deliveries of outstanding procurement.

ab. Direct movement of assigned materiel from sources of supply to depots, overseas commands, and other requisitioners.

ac. Determine materiel to be recovered through disassembly of end items and direct disassembly.

ad. Defend the materiel management provisioning plan for presentation in provisioning conferences for new systems and compute initial provisioning requirements.

AMMUNITION PRODUCTION MANAGER CRITICAL/ESSENTIAL FUNCTIONS

1. Identification and authorization of component quantities and dollars
2. Identification of Delivery Requirements
3. LAP scheduling of GOCO plants and PBA
4. Cost, delivery and production impact data inputs to budgeting
5. Execution of the Production Engineering Support Program
6. Reporting of Deliveries and Schedules
7. Funding Management
8. Monitoring production resulting from procurement and validate contractual deliveries
9. Management and inventory control of industrial stocks
10. Pre/Post award surveys
11. Correction of production process or GFM availability problems .
12. Focal point for planning/directing correction of design/or specification related problem
13. Support to negotiations
14. Obtain and provide identification of GOCO plant to be workloaded

ITEMS MANAGED BY DRSAR-AS

LEVEL II MATERIEL

1. ARTILLERY WEAPON SYSTEMS/ITEMS	(20 ea)
2. ARMOR WEAPON SYSTEMS/ITEMS	(13 ea)
3. INFANTRY WEAPON SYSTEMS/ITEMS	(34 ea)
4. AIR DEFENSE WEAPON SYSTEMS/ITEMS	(3 ea)
5. NUCLEAR & CHEMICAL MUNITIONS/ITEMS	(34 ea)
6. FUZE & MUNITION SUPPORT ITEMS AND COMMON TOOL SUPPORT ITEMS	(9 ea)
7. TANK PRODUCTION/CONVERSION SYSTEMS/ITEMS	(4 ea)
(TOTAL	- 117 ea)

INCL 6A

ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

ARTILLERY WEAPON SYSTEMS/ITEMS

M102, 105MM HOW TOWED	XM201, 155MM PROP CHG
M109A1/A1B, 155MM HOW, SP	XM211, 155MM PROP CHG
* M198, 155MM HOW, TOWED	XM712, 155MM CLGP
M110, 8" HOW, SP	M549, 155MM HE (RAP)
* M110E2, 8" HOW, SP, IMPROVED	XM718/XM741, 155MM HE PROJ
M107, 175MM GUN, SP	M483A1, 155MM HE 1CM PROJ
* XM204, 105MM HOW, TOWED	M203, 155MM PROP CHG WB
XM200, 105MM PROP CHG	XM692/XM731, 155MM HE PROJ (ADAM)
XM622, 105MM HEAT CTG	* ADFT-ARTY DIRECT FIRE TRAINER (LASER)
XM710, 105MM HE CTG	* OFT-OBSERVED FIRE TRAINER

* PERFORM APPROPRIATE WEAPONS SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF PROJECT/PRODUCT
MANAGED SYSTEMS.

ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

ARMOR WEAPON SYSTEMS/ITEMS

* M60 SERIES TANK ARMAMENT SYSTEMS, 105MM/152MM

* M551 RECON VEH ARMAMENT SYSTEM, 152MM

** M728 CBT ENGR VEH ARMAMENT SYS, 165MM

* M240 ARMOR MG SYSTEMS

* XM1 TANK SYSTEM ARMAMENT (M68)

* M239 GRENADE LAUNCHER

* L8A1 SMOKE GRENADE

M392A2 105MM APDS-T CTG

M393 105MM HEP-T CTG

M456 105MM HEAT-T CTG

M735 105MM PAFSDS-T CTG

* SCTD - SUBCALIBER TRNG DEVICE .50 CAL FOR 90/105MM TANK GUN

* WESS - WEAPON EFFECTS SIGNATURE SIMULATOR

* PERFORM APPROPRIATE WEAPONS SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF PROJECT/PRODUCT
MANAGED SYSTEMS

** PERFORM APPROPRIATE WEAPONS SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF TRADCOM/TARCOM

ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

INFANTRY WEAPON SYSTEMS/ITEMS

* XM 235 SQUAD AUTOMATIC WPN SYS (SAWS)	XM 234 LAUNCHER
XM 224 60MM LWCM	XM 743 STING RAG SYS
XM 231 FIRING PORT WPN, 5.56MM SMG	BFA - BLANK FIRING ATTACHMENT, .50 CAL
XM 241/242 25MM BUSHMASTER	XM 25MM AMMO
* XM 257 WARHEAD 2.75" RKT	XM/M 40MM AMMO & SMOKE RDS
M 261 CONVR KIT, M16A1 RIFLE	XM/M 60MM AMMO & SMOKE RDS
M 56 MINE DISPENSING UNIT	XM 2.75" SMOKE RDS
M 57 MINE DISPENSING GD SYS	M 20MM AMMO (SELECTED)
BLU 91-B/92-B AIR DEL ANTI-PERS & ANTI-VEH	* XM 30MM AMMO (SELECTED)
TAMS (GATOR)	* VIPER WEAPON SYSTEM
M 180, DEMOLITION KIT	* TOW WEAPON SYSTEM
XM 122 DEMOLITION FIRING DEVICE	* DRAGON WEAPON SYSTEM
* AIRCRAFT ARMAMENT SUBSYSTEMS	66MM HEAT ROCKET M72A2 (LAW)
* XM 130 GEN PURPOSE DISPENSER	SUBCALIBER PROJECTILE M73

INCL 6A

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ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

INFANTRY WEAPON SYSTEMS/ITEMS (Con't)

M2 MACHINE GUN

* XM901 IMPROVED TOW VEHICLE

* XM723 MICV (FVS)

AIR FORCE LIGHTWEIGHT 20MM AMMUNITION

MINE NEUTRALIZER LAUNCHER, SUBSYSTEM:
SURFACE LAUNCHED

FUEL AIR EXPLOSIVE, XM134 (SLUPAE)

* PERFORM APPROPRIATE WEAPONS SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF PROJECT
MANAGED SYSTEM

INCL 6A

ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

AIR DEFENSE WEAPON SYSTEMS/ITEMS

VULCAN AIR DEFENSE SYSTEM

M10 VULCAN GUNNER TRACKING EVALUATOR

* DIVISION AIR DEFENSE GUN SYSTEM

* PERFORM APPROPRIATE WEAPONS SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF PROJECT/
PRODUCT MANAGED SYSTEMS

INCL 6A

ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

NUCLEAR CHEMICAL MUNITIONS/ITEMS

INCL 6A

* XM753 8" PROJECTILE	XM29, M17A1, M9, M24, M25 PROTECT MASKS
* XM251 WARHEAD HE GM (LANCE)	M202A1 FLAME SYSTEM LAUNCHER
* XM252 WARHEAD PRACTICE GM (LANCE)	N74 FLAME ROCKET CLIP
* XM201 WARHEAD TRNG GM (LANCE)	M12A1 SKID MOUNTED DECON APPARATUS
* M238 AK (LANCE)	M11 PORTABLE DECON APPARATUS
M8, M10-M18 CHEM AGENT ALARMS	XM19 BIO ALARM AND XM2 SAMPLER
M33A1 RCA DISPENSER	XM736 8" BINARY VX2 PROJECTILE
M14 CPE	M36 CR DISPENSER
MODULAR CPE	M84A1 CART, 105MM, HC, SMOKE
XM9 PAPER CHEM AGT DET	M116 PROJ, 155 MM, HC, SMOKE
XM256 CHEM AGT DET KIT	XM5 TRAINING ROCKET CLIP
XM96 66MM RKT CLIP CS	NIKE HERCULES NUCLEAR WH SECTION
M687E1 155MM PROJ GB2	MADM
XM742 SOFT RAG SYSTEM	SADM
XM743 STING RAG SYSTEM	* PERSHING MISSILE WH SECTION
M51 COLLECTIVE PROTECTION SHELTER SYSTEM	HONEST JOHN (NUCLEAR) WH SECTION
SEARGENT MISSILE WH SECTION	M422 8" PROJECTILE

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ITEMS MANAGED BY DRSAR-AS

CATEGORY II MATERIEL

FUZE & MUNITION SUPPORT ITEMS

- * M734, MO FUZE
- * XM587/XM724, ET FUZE FOR ARTY
- XM742, ADV BEEHIVE FUZE
- M732, PROX FUZE FOR ARTY
- * M577/M582, MECH TIME FUZE
- * M739, PD FUZE FOR ARTY
- * M423E1, RKT FUZE (FOR 2.75" RKT)

COMMON TOOL SUPPORT ITEMS

SHOP EQUIP, CONTACT MAINT, TRK MOUNTED
STEAM/HOT WATER CLEANERS

- * PERFORM APPROPRIATE WEAPONS SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF PROJECT/
PRODUCT MANAGED SYSTEMS

ITEMS MANAGED BY DRSAR-AS

LEVEL II MATERIEL

TANK CONVERSION/REBUILD/PRODUCTION SYSTEMS

- * M48A5 TANK SYSTEM ARMAMENT, 105MM (CONVR)
- * M60 TANK SYSTEM, 105MM (REBUILD)
- * M60A1 TANK SYSTEM ARMAMENT, 105MM (NEW PRODN)
- * M60A3 TANK SYSTEM ARMAMENT, 105MM (NEW PRODN)

- * PERFORM APPROPRIATE WEAPON SYSTEMS MANAGEMENT FUNCTIONS IN SUPPORT OF PROJECT MANAGED SYSTEMS

ITEMS MANAGED BY DRSAR-AS

LEVEL II MATERIEL MANAGEMENT CRITERIA

ITEM/SYSTEM SHOULD MEET ONE OR MORE OF THE FOLLOWING:

- ① APPEAR ON THE DA MAJOR SYSTEMS LIST, THE TRADOC PRIORITY LIST, OR THE DARCOM HOT ITEMS LIST.
- ② HAVE PROGRESSED TO THE FULL SCALE DEVELOPMENT PHASE.
- ③ HAVE BEEN IDENTIFIED AS REQUIRING TRANSITION FROM A DEVELOPMENT AGENCY TO ARRCOM.
- ④ HAVE ENTERED THE MAJOR ITEM PROCUREMENT, PRODUCTION AND/OR DEPLOYMENT PHASE.
- ⑤ BE IDENTIFIED AS A COMPONENT CAUSING A WEAPON SYSTEM TO BE PLACED IN A NON-OPERATIONALLY READINESS (NORS) STATUS.
- ⑥ BE IDENTIFIED AS ENCOUNTERING HIGH PROBLEM FREQUENCY BY THE SOLDIER IN THE FIELD.
- ⑦ BE DEEMED CRITICAL BY THE ARRCOM CG/DCG OR THE CHIEF OF THE ARMAMENT SYSTEMS OFFICE DUE TO:
 - COMPLEXITY OF THE ITEM OR ACQUISITION PLAN,
 - URGENCY OF FIELD REQUIREMENTS,
 - LEVEL OF INTEREST AT HIGHER ECHELONS, OR
 - OTHER EXTENUATING REASONS.

3-5. ASSIGNED MATERIEL.

a. Weapons and ammunition, nuclear and non-nuclear including:

- (1) Towed and self propelled artillery weapons ~~and ammunition.~~
- (2) Infantry weapons, crew-served weapons, mortars, recoilless rifles ~~and associated ammunition.~~
- (3) Gun-type air-defense weapons ~~and ammunition.~~
- (4) Surface-Vehicle mounted weapons ~~and ammunition.~~
- (5) Aircraft-mounted weapons ~~and ammunition~~ for conventional and remotely-piloted aircraft.

(6) Infantry and conventional artillery launching devices for recoilless, conventional round and high capacity boosted rocket artillery round (excluding free rockets, guided missiles, ballistic missiles, target missiles and related launching and ground support equipment).

b. Weapons systems and support equipment, including vehicle mounted weapons systems, self-propelled artillery systems, gun air defense systems, aircraft weapons and assigned special purpose vehicles.

c. Fire control materiel/equipment to include time measuring instruments. (Excluded is materiel that is integral to missile systems and missile air defense fire coordination systems.)

d. Rocket and missile warhead sections, nuclear and non-nuclear.

~~e. Demolition munitions, mines, grenades, pyrotechnics, boosters, gas generators and jet assisted takeoff.~~

f. Offensive and defensive chemical materiel and defensive biological and radiological materiel as assigned.

g. Propellant-actuated devices (requirements determination and inventory control).

~~h. Clips, links, magazine fillers and linker delinkers for conventional ammunition.~~

i. Related Components of End Items (COEI), containers, handling and ancillary equipment for assigned materiel.

~~j. Ammunition peculiar equipment.~~

k. Training equipment, devices and simulators relating to assigned materiel.

l. Special tools, test, measurement and diagnostic equipment which are a part of or used with assigned materiel (including special inspection and test equipment and table of organization and equipment special test equipment).

m. Tools and maintenance equipment specified for use with equipment managed by two or more DARCOM materiel readiness commands; common tools; common tools and tool sets assigned to Defense Supply Agency/General Services Administration (DSA/GSA); common (general purpose) maintenance shop sets; and common test, measurement and diagnostic equipment (For the common tools and tool sets assigned to DSA/GSA for integrated management, this responsibility is limited to technical decision authority on sets and set configurations. Army materiel management responsibilities listed in AR 710-1, continue as a responsibility of the Army class manager activity for general supplies).

3-6

Incl 15A

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APPENDIX F

FUNCTIONAL
DISCUSSIONS

APPENDIX F

DISCUSSION MEETINGS

Introduction

The purpose of these discussion meetings with the Technical Support Group representatives was to verify the preliminary survey results, and gather additional detailed data from key representatives of the Functional Directorates. The meetings also served to reach agreement on definitions of terms.

Discussion meetings were conducted with Technical Support Group representatives from six (6) directorates. With five (5) discussion meetings at division level within 3 of the directorates, DRSAR-PD, DRSAR-DA, and DRSAR-QA.

Section 2 of this appendix provides the definitions provided, and agreed upon at each discussion meeting.

APPENDIX F

SECTION I - Minutes of Meetings

STUDY ON CENTRALIZED vs DECENTRALIZED ITEM MANAGEMENT WITHIN HQ ARRCOM

Discussion Meeting Between PWG and DRSAR-MM TSG, 16 August 1977

1. DRSAR-MM Representatives were: J. Knittle, DRSAR-MMP
T. Burke, DRSAR-MMP
J. Pyska, DRSAR-MMC
2. General Discussion:
 - a. DRSAR-MM concurs that Inventory Management and Item Management are synonymous.
 - b. DRSAR-MM concurs in PWG's broad definitions of centralization, decentralization, inventory management, and inventory/item managers.
 - c. DRSAR-MM manages only* field issuable and useable items.
*(99% of the time).
 - d. DRSAR-MM manages only items with (or in process of obtaining) an NSN/MCN. (NOTE: Some items have MCN, but are not planned for NSN.)
 - e. DRSAR-MM manages items only through CCSS.
 - f. Stock Control and Asset Position Knowledge are critical functions of overall inventory management techniques and an Item Manager's responsibility within DRSAR-MM. This is normally covered under the element of Distribution Management.
 - g. Each Item Manager (IM) is responsible for all six elements of inventory management for assigned items. Certain activities within any of the six elements of inventory management may actually be performed by other than the IM, with his coordination and cognizance. (Such as "cataloguing direction", where the IM initiates action.)
 - h. For the elements of Procurement and Distribution Direction, the DRSAR-MM IM's direct DRSAR-PC to procure and ship (to a depot) and issues inter-depot direction for transfer or shipment of items.
 - i. The IM's in DRSAR-MM generate PWD's and shipping directions on Tool Set Major Items only, by manual method. For PEMA Secondary and Stock Fund items the CCSS generates the PWD (in supply studies), with the IM reviewing and concurring. For all other Class V and VII the procedure is: (1) DARCOM issues 1006 to DRSAR-CP, (2) who issues 1006 to ARRCOM program manager in DRSAR-PD, and (3) DRSAR-PD issues the PWD.

j. Class V, in DRSAR-DA only has NSN on major end items (with a few exceptions). Under the Single Manager reorganization the Class V conventional ammunition inventory management will transfer to the new DRSAR-DA organization.

k. DRSAR-MM currently has 131,000 Items on NSN/MDR.
48,485 "Managed" Items (assigned to ARRCOM as PICA).
70,060 "User" Items (with an assigned analyst code;
and often have good NSN.)
13,000 "Trash" Items (Class 9999 items: Items not
identified to an end item application;
obsolete and/or unauthorized stock; bad MCN's,
etc.).

l. Not used.

m. DRSAR-MM has designated IM's for both "User Items" (T&E, DSA and GSA items) and "Managed Items". (But not all "User Items". Only the T&E.)

n. The IM is responsible for the validity and currency of the data base for his assigned items. This responsibility includes review of all data, and coordination with other inputers.

o. The SAMPAM generates the AMP and is in effect the IM's "supply control study" for major items in DRSAR-MM. From that (AMP) and other information/knowledge, the IM determines requirements, replacement quantities, etc.

p. DRSAR-MM indicated that incorporation of DRSAR-PD's industrial stock items, DRSAR-QA's gages/devices, and other "non-standard, issuable" items, into DRSAR-MM's CCSS processing and Item Management responsibilities was not particularly desirable. It could be accomplished, but only with significant increase in workload, personnel, etc., and attendant programming/systems changes.

q. DRSAR-QA's job descriptions call for Inventory Management of Inspection Devices, but ARRCOM Reg. 10-1 gives DRSAR-MM total responsibility for all ARRCOM assigned items.

r. Primary Item Control Agency (PICA) is by DLSC assignment only.

s. Secondary Item Control Agency (SICA) is by agreement with the PICA.

t. Once an agency is assigned as PICA for an item (major or secondary), the responsibility for that item generally stays with that agency.

u. Only PICA's may procure an item.

v. SICA's can not effect central procurement; but may obtain (thru MIPR), stock (for specific requirements such as Tool Kits, rebuild, etc.), store, and issue items for which another agency is the PICA. SICA's are generally "Users" with an extensive usage requirement for the item.

w. PICA assignment is normally made to the original requestor of an NSN.

x. Average cost to "catalogue" an item and "maintain" for 5 years is currently estimated to be \$2,020.

y. "Cataloguing" Functions of DRSAR-MM.

(1) Identify Item. (Using Handbook H-6.) This action also provides an indication of who does/will manage the item.

(2) Classify the item. (Using Handbook H-2-3.)

(a) If classified in Weapons Integrated Materiel Management (WIMM) Class, ARRCOM (B14) becomes the PICA.

(b) If classified in Commodity Integrated Materiel Management (CIMM) Class, and the Inventory Management Control Code (IMCC) is coded for "loss", DSA or GSA will become the PICA.

(c) If classified in CIMM and the IMCC is coded for "Retain", ARRCOM (B14) will become the PICA.

(3) Describe the items in computer format, using Federal Item Identification Guide (FIIG).

(4) Assign MCN to the item.

(5) DRSAR-MMC sends items description and part number to DLSC for screening and assignment of NSN. (The MCN does not go forward, but is required for local control. Screening is accomplished by maintenance PMDR.)

(6) DRSAR-MM creates an AMDF (Army Master Data File), maintained at DLSC (New Cumberland).

(7) DLSC creates and maintains a Cataloguing Management Data Numbers (CMDN) master file, based on inputs from the NICP's. DRSAR-MMC creates and inputs all ARRCOM Materiel Request Changes (MRC) to the CMDN Master Files.

(8) DLSC then broadcasts, to all Army users, this item identification/assignment information using the Defense Automated Address System and the CMDN file for processing of all requirements.

z. DRSAR-MM management of Items originated from Army requirements.

aa. DRSAR-MM requests and uses MCN/NSN on all standard "issuable" items, with a few exceptions.

ab. Procedure for assigning MCN/NSN is according to ARRCOMM 708-1, 27 DEC 76 (Currently being revised).

ac. Nearly all MCN's lead to NSN. Part number must precede MCN (in PMDR). MCN precede NSN assignment in most cases.

ad. Three ways for assignment of MCN/NSN:

(1) MA decides NSN is required for maintenance on an initial provisioning of a fielded item (fielding of a new system).

(2) ECP's (ECN's) or EIR's (field discrepancies) can generate an MCN.

(3) Three demands (requisitions) for an item within 6 months. (control of this should be done by DRSAR-MMP in their ADP Rejects Section.)

ae. DRSAR-MA makes determination (in all three cases) for the need of an MCN, and initiates form 19 Selection Worksheet as required.

af. DRSAR-MA notifies DRSAR-MMC, who assigns the MCN from the "field" of numbers appropriate to this Command.

ag. MCN is an internal control number only and cannot be utilized outside this Command. Other commands have their own MCN's.

ah. DRSAR-MM assignment of MCN for items managed by other directorates has been done in past, and is feasible with additional workforce. But practice has been stopped because requestors have not utilized a standard procedure for the request (including screening of PMDR and DLSC by DRSAR-MA).

ai. The Provisioning Master Data Record (PMDR) is DRSAR-MA's item file in the CCSS. The Reference Number File (REFNO) is a cross reference file of NSN MDR, part numbers, and an index to NSN, and is a data file in CCSS. The PMDR/REFNO files used by this Command are built only for this Command, and only contain items used or managed by this Command. (Note that each NICP has its own PMDR, REFNO, etc. in the CCSS.)

aj. Principal Guidance Documents utilized by DRSAR-MM in performing Inventory Management are:

- (1) AR 710-1 Centralized Management of the Army Supply System. ("Inventory")
- (2) AR 725-50 Requisition and Issue of Supplies and Equipment. ("Supply")
- (3) SOP's Standard Operating Procedures.
- (4) ARRCOMM 708-1 NSMDR Initial Data Input. ("Cataloguing")
- (5) FUP's Functional Operating Procedures.
- (6) CCSS-OI's (by ALMSA) (same numbers as AR's) Commodity Command Standard Systems - Operating Instructions.

3. DRSAR-MM suggested Problems and/or Areas for improvement of ARRCOM Inventory Management:

a. Failure to screen DLSC may result in procurement of obsolete items, unauthorized items, or items already manufactured by another activity.

b. Error/violations of procedures, such as: Procurement Actions on items which are already listed in DLSC (w/NSN) are being made without DLSC screening. Practice has been stopped in DRSAR-MM but continues by other directorates.

4. Questions for which DRSAR-MM's TSG is to obtain answers and provide to the PWG:

a. Question: How does DRSAR-MM keep record/control to identify three demands in six months?

Answer: Should make a "flasher" to DRSAR-MA.

b. Question: What is DRSAR-MM's definition of "ARRCOM assigned items"?

Answer: PICA assignment in DLSC.

c. Question: What are the sources and causes of the 7000 AD rejects in DRSAR-MM?

Answer: There are 7000 files to "purify" for file conversion from manual records to CCSS. As of 15 Sep 77, DRSAR-MM had an AD reject backlog of 2,000. DRSAR-MM only gets "incoming requisitions" AD rejects.

d. Question: What "items" are involved in these AD rejects?

Answer: All items.

TASK FORCE - STUDY ON CENTRALIZED vs DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

Discussion Meeting between PWG and DRSAR-MA TSG, 22 Aug 77

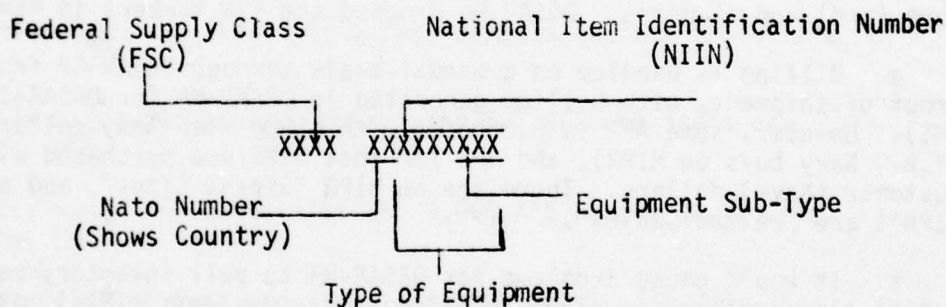
1. DRSAR-MA TSG Attendees: Mr. Robert Smith, DRSAR-MAP
Mr. Harold Cheek, DRSAR-MAP

2. General Discussion:

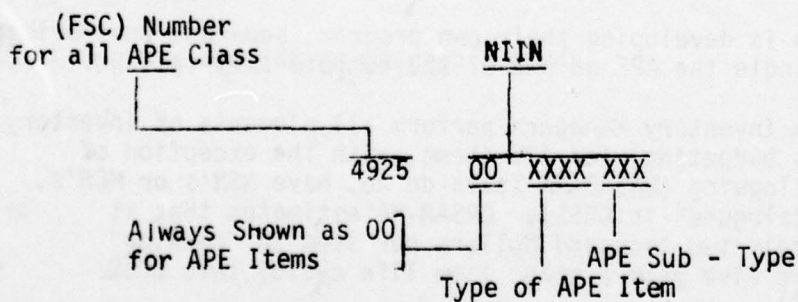
a. DRSAR-MA "manages" a total inventory of \$27 million, with ten million dollars budgeted for FY 78 (exclusive of "Sales"). There are currently 501 items (end items) of APE, and approximately 4000 repair parts for the APE end items, in the DRSAR-MA "Inventory".

b. DRSAR-MA maintains a register and log of all APE items, part number controlled (numbers are assigned by the design agency). DRSAR-MA converts this part number to an internal number (13 position field) as shown below:

(1) General Example - National Stock Number (NSN), thirteen positions:



(2) Example for APE - (APE assigned control Number):



d. Most items (99%) are "Issues", but they do sell some items

through DRSAR-IL (as FMS) and MIPR's (to Navy, etc.). These "Sales" are processed off-line (items not in NSNMDR) and "accountability" is lost once the items are sold.

NOTE: The procurement/production flow for APE items are different than most ARRCOM "items" because the Procurement Work Directive (PWD), 1095, is generated by DRSAR-PD on direction from DRSAR-MA and forwarded to DESCOM after DRSAR-CP certifies funds. DESCOM then places the requirement on a depot (normally SVAD or TOAD).

e. The total activity level on the 4500 items in the APE inventory is approximately 1000 demands per year. This includes 850 Army requirements, plus 150 "Sales" by MIPR (to other Services) or FMS (through DRSAR-IL) for a total of approximately \$500,000.

f. Normally, all APE items are funded thru O&MA Funds (for the issuable). Sales of APE from "stock" are also O&MA funded, but are reimbursables. Sales of APE requiring manufacture may be by direct cite such as FMS (foreign dollars). Approximately 99% of APE goes to depots (with a small % to AAP's). These are "accountable" inventory under MA's system. APE items formerly had FSN's; however, DARCOM directed in May 1973 that FSN's be dropped because APE items were (are) non-standard. DRSAR-MA dropped the FSN numbers in Mar 74.

g. Billing is handled on a manual basis through DRSAR-CP from proof of shipment, with billing generated in DRSAR-MA (or DRSAR-IL for FMS). However, some APE is purchased with other than Army dollars (i.e., Navy buys on MIPR), and APE for that MIPR are purchased with customer (Navy) dollars. There are no MIPR "Direct Cites", and all MIPR's are "reimbursables".

h. It would cause problems for DRSAR-MA to pull inventory managers out of the directorate; since their inventory managers (IM's) must work very close by with the actual maintenance people. They have one IM and two supply clerks on the DRSAR-MA TD in the APE section.

i. DRSAR-MA is developing their own program, separate (not bridged) from CCSS, to handle the APE on one of the computers at this HQ.

j. DRSAR-MA Inventory Managers perform all elements of inventory management (plus budgeting) for APE items, with the exception of formal DLSC Cataloguing (DRSAR-MA items do not have NSN's or MCN's, and are not "catalogued" in CCSS). DRSAR-MA estimates that it costs approximately two thousand dollars per item to "catalog" (and maintain for five year average item life cycle) into CCSS (W/NSN thru DLSC).

k. New end item input/turnover in the APE inventory is approximately ten per year.

1. Not used.

m. DRSAR-MA will be picking up approximately 400 APE items from the Navy on or about 1 October 1977. This should give them about 900 total APE end items. It is not known at this time how many repair parts will be picked up.

n. Primary/Applicable Regulations:

The principle document/regulation utilized by DRSAR-MA for guidance in the management of APE inventory is DARCOM Reg. 750-20 (submission date of 31 Oct 77 for publication as an AR).

3. DRSAR-MA suggested Problems and/or Areas for Improvement of HQ, ARRCOM Inventory Management:

None at this time.

4. Quantitative and additional data provided subsequent to discussion meeting:

a. Fifteen percent of the 1,000 annual demands are for FMS of APE end items.

b. One percent of the 1,000 annual demands are for FMS of APE repair parts.

c. Only about fifteen percent of the 501 APE end items are utilized for FMS.

d. Only about one percent of the 4,000 APE repair parts are utilized for FMS.

e. The value of each end item is approximately \$12,000.

f. Total "sales" for APE in 1976 was \$450,000 (for FMS, Air Force and Navy).

g. All sales are AAP reimbursable funds.

AD-A060 309

ARMY ARMAMENT MATERIEL READINESS COMMAND ROCK ISLAND IL
TASK FORCE STUDY ON CENTRALIZED VERSUS DECENTRALIZED ITEM MANAG--ETC(U)
JUL 78 D L BIXBY

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TASK FORCE - STUDY ON CENTRALIZED vs DECENTRALIZED ITEM MANAGEMENT
WITHIN HQ, ARRCOM

Discussion Meeting between PWG and DRSAR-DAS TSG, 24 August 1977

1. DRSAR-DA Attendee: Mr. George Conner, DRSAR-DASD
2. General Discussion:
 - a. DRSAR-DA concurred in PWG's definitions of terms.
 - b. All DRSAR-DA (MMV) Items are APA (PEMA) appropriated. They have both end items (complete rounds), and components (fuzes, etc.) for renovation. (Their components may also be end items.) Types of items managed by DRSAR-DA are:
 - (1) End Items of Conventional Ammunition (CA), Pyrotechnics, Mines and Demolition Items, etc.
 - (2) Components of these End Items.
 - (3) Packing Material for both the End Items and the Components.
 - c. DRSAR-DA items are "standard" items for issue, with a few exceptions.
 - d. Component Assets are governed by budget--and DRSAR-DA should not have assets on hand, in excess of limitations, which would be furnished GFM for DRSAR-PD use in production.
 - e. DRSAR-DA currently has approximately 1470 Component Items now in PMDR. Plus 3500 new items to be loaded by the end of July, as a result of Single Manager (SM) items transferred to Army from other Services.
 - f. DRSAR-DA does procure some items, such as packing material (for renovation) which are not standard field issuable; they (DRSAR-DA) are the PICA on these items.
 - g. DRSAR-DA screens DLSC, thru DRSAR-MMC, for those items requested which are not identifiable (for NSN) within their internal records and file (NSNMDR, Cross Reference File, and hand records, engineer drawing, etc.).
 - h. DRSAR-DA frequently buys for renovation the same component item procured by DRSAR-PD for production.
 - i. DRSAR-DA may give orders to DRSAR-PD for bulk TNT, both for reloading and other Service requests (on MIPR). These come first to DRSAR-DA.

j. DRSAR-DA's "Supply Control Study" is generated by the Item Manager (IM) and is based on the CA AMP. They "buy" based on approved programs.

k. DRSAR-DA's management of items will originate from DOD requirements.

l. Not used.

m. DRSAR-DA will use DRSAR-MMC for Cataloguing during Phase I (of SM). In Phase II, separate Cataloguing for CA is planned to be set up within DRSAR-DA. Eventually this will lead to the establishment of a second NICP at ARRCOM.

n. All DRSAR-DA items will have MCN/NSN.

o. All DRSAR-DA items should be handled through CCSS; however Peculiar Items being picked up from other Services may not "process" thru CCSS during Phase I.

p. At present, DRSAR-DA will utilize DRSAR-MM's Distribution Division (MMD) for accountability records and stock control.

q. DRSAR-DA will initiate PWD's for Class V ammunition for Major Items and Components (for renovation/issue/etc.). DRSAR-DA does not have Secondary Items or Stock Fund Items. CCSS will not generate the PWD. The IM will generate PWD's for all Items.

r. DRSAR-DA will utilize ARRCOM M 708-1 for MCN/NSN procedures.

s. There is a no "block" of MCN's directly assigned to DRSAR-DA (from DRSAR-MMC) nor is one required.

t. DRSAR-DA's Item Managers do perform all six basic elements of inventory management. They perform the same "functions" in accomplishment of the elements as does DRSAR-MM.

u. Job descriptions and functions of the Item Managers in DRSAR-DA may alter somewhat with the advent of SM and the addition of other Services Items. The DRSAR-DA concept is to have one Item Manager for Army requirements and one for overall Defense (other Services) requirements for any one item. Each Item Manager will, of course, be assigned a multitude of items. The Overall Item Manager (for total DOD requirements for the "Common" Items) will be located in the "Defense" side of DRSAR-DA. There will be other Item Managers who will manage the Army (only) requirements for the "Common" Items and for other Army-Peculiar Items. The Army division will perform, for

the Army, those NICP functions retained by the other military service NICP's. Namely, Requirements Determination, Mobilization Planning, and Distribution Planning. The Defense Division will accomplish management of the wholesale inventory.

Reasons for this "management breakout" are as follows:

- (1) Development of budget information for Army.
- (2) Isolate Army costs/expenses.

3. DRSAR-DA Suggested Problems and/or Areas for Improvement of ARRCOM Inventory Management:

a. Problems:

- (1) FMS cases are the principal cause of problems for DRSAR-DA (MMV).
- (2) Another problem area is Customer-Peculiar Items; i.e., items not in our stock inventory, and without a good stock number.
- (3) Billing of FMS Items is a major problem area.

b. Suggestions for Improvements:

All of the above problems are related and the improvement suggested is some Command Management Information Systems which would delineate the responsibilities and secure the accomplishment of supply to the customer.

4. Questions for which DRSAR-DA's TSG is to obtain answers and provide to the PWG.

- a. Number of Items managed. Breakout by End Items and Components (and by Army and others, if possible).

Response, provided 26 Aug 77:

Pre-SM End Items	2183
Pre-SM Components	1470
Sub Total, Pre-SM	<u>3653</u>
SM additions, 1 July 77	3951
Total, DA	<u><u>7604</u></u>

NOTE: Army/Other "split" not available.

b. Breakout of Item Managers by Army and Others, for Phase I.

Response, provided 26 Aug 77:

Direct "Item Managers", Series 2010 Inventory Management Specialists, (GS 9 to 12):

"Army" Division of DAA	38
"Defense" Division of DAD	44
Total	<u>82</u>

This is exclusive of Supervision and any series 2005 support personnel, etc.

TASK FORCE - STUDY ON CENTRALIZED vs DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

Discussion Meeting between PWG and DRSAR-PDM TSG, 24 Aug 77

1. DRSAR-PDM Attendees: Mr. Jiggs Braman
Mr. John Mulligan
Mr. Dave Howard
Mr. Jerry Skinner

2. General Discussion:

- a. DRSAR-PDM manages conventional ammunition components, and the "issuable" end items. The conventional ammunition components include those for selected ammunition such as large caliber improved, mines, and atomic weapons adaption kits. DRSAR-PDM does perform "management" of end items during their production and prior to their "acceptance" into inventory; (i.e., prior to becoming "issuable").

Where authorized in connection with FMS and MIPR only, DRSAR-PDM manages the procurement of certain items; (i.e., "User Items") of inventory managed by other agencies (as PICA) as needed to support DRSAR-PDM's ammunition production.

For ammunition items only (not for weapons, etc. in DRSAR-PDS), DRSAR-PDM manages procurable components that are not items of issue (and that normally do not have NSN's and are not in the NSNMDR). As an example; fuses, which are components of an end item, also may be an item of issue (with NSN) and are managed by DRSAR-DA (MMV).

As an exception, some bulk materials (especially propellants and explosives such as TNT, nitroguanadine, etc.) which have NSN's (an area previously reserved for issuable items managed by DRSAR-MM/DA) are actually managed by DRSAR-PDM. Significant amounts of bulk material, such as production consumables, are "local procurements" left up to the production facility and not "managed" as such at this Command (by DRSAR-PD, DRSAR-MM, or others).

- b. DRSAR-PDM could not furnish a count of the total number of ammunition component items managed without a time consuming manual search of the "603" breakout (see para 4b below). However, the number of unique components (applicable to one end item) was suggested as being eight times the number of end items for ammunition.

NOTE: as a comparison, that for weapons the number of components was estimated to be 250 times the number of end items.) The number of end items managed totals about 1000. Therefore, the approximate number of unique items managed, including components, turns out to be about 8000. In addition, some components are common to more than one end item and these may number up to 2000 more components; this making the total about 10,000 ammunition component items managed by DRSAR-PDM.

c. Approximately 2600 ammunition components have been identified at production plants as "industrial stock" on hand, out of the total of approximately 10,000 components managed by DRSAR-PDM.

d. DRSAR-PD does not consider its people to be "Item Managers"; but rather as "Production Managers". This is a directorate policy.

e. The "Production Managers" in DRSAR-PD perform all six elements of Inventory Management (except cataloguing) to some extent or degree. The number of people involved is provided in their response to the preliminary survey questionnaire.

f. DRSAR-PD gives procurement direction to DRSAR-PC as indicated below.

DRSAR-PC initiates procurement action on DARCOM direct cited funds, but for all other Army and non-DARCOM direct cited funds DRSAR-PC acts only on PWD's released by DRSAR-PD after certification by DRSAR-CP. Requirements (demands) from other Services/Agencies may come in to ARRCOM as direct cited funds on a MIPR (or purchase order). DRSAR-PD issues PWD's through DRSAR-CP direct to GOCO's; (e.g., arsenals) for "make"; however, all "buys" (even GOCO via contracts) are through DRSAR-PC.

Prior to receipt in DRSAR-PD of the MIPR or the Major Item "Procurement Order Number" (PRON) on the DARCOM 1006c "Program Directive/Change Request-PEMA" form (known simply as the "1006"), DRSAR-CP and DRSAR-DA (MMV) will have verified the non-availability of a system/item (or an authorized substitute). DRSAR-PD has a Make or Buy Committee, and for "Buy" items DRSAR-PD makes up Form 1095's for procurement of items/materiel. The bulk of the PWD's are released to DRSAR-PC (after certification of funds by DRSAR-CP) for procurement either by commercial or GOCO (AAP) manufacture. The remaining PWD's are released to test and evaluation units, quality assurance units or engineering support commands (for example: function tests take place at the proving grounds, and ARRADCOM provides engineering support).

g. DRSAR-PD performs requirement determination for components -- but the requirements for end items are determined for DRSAR-PD by DRSAR-DA (MMV) on direction from higher authority. Under this procedure DRSAR-DA (MMV) "Budgets" (in P-1) for the end item requirements up through channels to Congress. These requirements (quarterly) are then adjusted and, at approved dollar levels, sent back down through channels (through DA, DARCOM) to DRSAR-CP as a 1006 (appropriation). DRSAR-CP in turn cuts individual Form 1006's for each component, and sends them through DRSAR-DA (MMV) (for verification of non-availability) to DRSAR-PD. DRSAR-PD then generates a 1095, with copy to DRSAR-DA (MMV) for end items only (not components). DRSAR-PDM uses an internal "application 603"

breakout system which identifies all components to all end items. It is DRSAR-PDM's basic tool for "requirements computations" for components.

h. DRSAR-PD performs maintenance direction for the materiel (on hand at AAP's) that have not been accepted for inventory. (This applies only to DRSAR-PDM for ammunition and not to DRSAR-PDS for weapons, etc.).

i. DRSAR-PD also performs disposal direction for excess stocks (whether they be obsolete or otherwise) and unacceptable or rejected items (especially industrial stocks and components which have not yet become end items) which have not been accepted in "inventory". (Again, this applies only to DRSAR-PDM for ammunition and is not a DRSAR-PDS procedure for weapons.)

j. DRSAR-PD has had limited training by DRSAR-MA in procedures for screening DLSC for NSN's and "cataloguing".

It is not the policy of DRSAR-MA at this time to process Form 19's for "non-standard" items for components, and it is DRSAR-MM's policy not to accept the Form 19's unless they are processed by DRSAR-MA. DRSAR-PD therefore has difficulty in getting items "catalogued". The new "ABC System" is in the process of loading procurable conventional ammunition items and their components to the PMDR. The CCSS will bill customers automatically provided all operating requirements (CCSS Operating Instructions) are satisfied.

k. DRSAR-PD has a block of approximately 600 MCN's for use in the new "ABC System" development to acquire CCSS processability for ammunition components (not for weapons at this time). They have currently used approximately 300 of these numbers. DRSAR-MM's MCN numbers are the "M" series, and DRSAR-MM assigned "M3" series to DRSAR-PD for the ABC System development. Though DRSAR-PDM's items have not previously been part of the PMDR over 200 ammunition end items (with their components "broken out") have been loaded into the system under the ABC program, and approximately 800 more are planned and in process. Loading end items in the PMDR means that DLSC screening will take place to assign NSN's, where necessary, and load the items in the NSNMDR. Thereafter orders for those items will be processable automatically thru CCSS if the item is bought for sale or issue (Due Out). If bought as a component for assembly (Due In), it will not be automatically billed by CCSS. The ABC program for loading DRSAR-PD items into the PMDR is currently for ammunition (PDM) items only, and does not apply to weapons (PDS, etc.).

l. Not used.

m. DRSAR-PD has put "G-Overrides" on PWD's to circumvent "system rejects" and override and/or force the CCSS to "procure and ship"; but this resulted in non-billing. DRSAR-PD now has a policy (with a policy for exceptions) that no PWD's will be written for ammunition items without a NSN/MCN and definitized shipping instructions. The intent of this policy is to assure automated billing through CCSS. (The requirement for definitized shipping instructions applies to DRSAR-PDM for ammunition, and is not applied by DRSAR-PDS for weapons. It was also noted that DRSAR-PDS still uses "G-Override" on customer peculiar weapon items; i.e., those items not in the AMDF or NSNMDR.

3. DRSAR-PDM suggested Problems and/or Areas for Improvement of ARRCOM Inventory Management:

None at this time.

4. Questions for which DRSAR-PDM TSG was to obtain answers and provide to PWG.

a. What is Form 1323? What is it's purpose, who fills it out, and to whom is it sent? Does it go to DRSAR-CPF? If so for what?

Answer: PD does not interface with the DA1323 form. DRSAR-CPB reported that the DA 1323 form, entitled "Fund Authorization Document", is an "advice of allotment" or "obligation of funds notice" which DARCOM issues to cover the DARCOM 1006 program authority allowances (see paragraph 1.e.). A given DA 1323 may cover one or more DA 1006's and is the equivalent of a bank deposit which DRSAR-CP maintains and issues disbursements to cover each PWD (AMCR 1095) up to its given 1006 authority.

b. What is DRSAR-PDM's "Provisioning File"? How is it established?

Answer: In 1971 PDM originated a stand-alone repository for component breakout on all their end items. That system was implemented by means of an IBM 360 computer program No. 603. That system lists all the items and their components, number of units and their dollar value in the provisioning process. The "603" data is being loaded into the PMDR through the ABC system, but will be retained and not replaced because the "603" retrieves certain inventory information which the PMDR does not furnish (such as the complete listing of PDM parts and their dollar values).

c. Provide summary breakout figures for the number of items managed and their components.

Answer: The "603" system lists the items and their parts, but the total could only be obtained by performing a manual count or by writing a computer program to count the items. The best available estimates are given in 1.b. above.

d. Provide a copy of the DRSAR-PD policy DF on PWD's.

NOTE: DF was subsequently provided by DRSAR-PDS.

Later questions were asked as follows:

1. What is the hold up time required to load items into the PMDR, and is the delay a handicap?

Answer: The loading of 500 items has taken about three months. In the case of some items being handled "off line", 40 had been entered for cataloguing four months previously and only three had been returned thus far. The delay is a hindrance but not a handicap.

2. How many times was the "G" override used in the past six months.

Answer: From 1 March to 31 August 9665 orders were processed and 532 "G" overrides were required, directorate wide.

TASK FORCE - STUDY ON CENTRALIZED vs DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

Discussion Meeting between PWG and DRSAR-PDS TSG, 30 Aug 77

1. DRSAR-PDS Attendees: Mr. Bruce Mauritzson
Mr. Richard Wunderlich
2. General Discussion:
 - a. DRSAR-PDS concurs with definitions proposed by PWG.
 - b. DRSAR-PDS manages Small Arms, distributed as follows:
 - (1) Major categories;
 - (a) Aircraft weapons including helicopter armament, weapons, and subsystems; customer peculiar aircraft guns in support of Project Managers (these items are direct cited by 1095's); and those managed in support of other services.
 - (b) All small arms programs (Weapons only).
 - (c) Chemical defensive items such as gas masks, alarms, shelters, clothing, decontamination apparatus, etc. (It is to be noted that decontamination kits are excluded since they are PEMA Secondary Items for issue, and are therefore managed by DRSAR-MM.)
 - (2) Minor categories;
 - (a) Customer Peculiar Secondary Items (including items customer funded on MIPR's) such as tools; gages, spare parts, etc.
 - (b) Mine laying equipment.
 - (c) Some Ammunition Peculiar Equipment (APE) is now being managed by DRSAR-PDS because of a change in the funding structure. This is a new area for DRSAR-PDS and involves an interface with DRSAR-MA, the APE manager. This category includes, for example, links and support equipment as well as some depot manufactured equipment. Exactly which items are to be included as a result of the above change is not know at this time.
 - c. DRSAR-PDS later provided a copy of their current "item assignment" list, copy attached.
 - d. Almost all of DRSAR-PDS's items have FSN, but not all are in AMDF or NSNMDR; (e.g., Customer Peculiar Items). They have had problems getting items catalogued. DRSAR-MMC will not accept Selection Work Sheets (Form 19) unless they have been generated by DRSAR-MA.
 - e. DRSAR-PDS has approximately 93 active Major Items; plus many cited funds (through MIPR's) Secondary Items and many AAP (PEMA) Secondary Items for Initial Provisioning.

f. Active Open Orders, as of 30 June 1977:

Aircraft Weapons	105	for	\$ 24 M
Chemical Items	94	for	\$ 91 M
Small Arms Weapons	125	for	\$108 M
Total	<u>324</u>	for	<u>\$133 M</u>

Breakdown by "Customer":

Customer Peculiar Secondary	43	Direct Cite
Project Managers	18	Direct Cite
Army	55	PEMA
Navy	47	PEMA Reimbursable (MIPR's)
Air Force	20	" " "
Marines	9	" " "
FMS	85	PEMA Reimbursable
Grant Aid/Other	<u>47</u>	Grant Aid-PEMA
		Other-PEMA Reimbursable
Total	<u>324</u>	

g. DRSAR-PDS doesn't "manage" any secondary items, except the Air Force and Navy Peculiar Items (and attendant repair parts).

h. Major "Army" Buy's are on an annual frequency, based on the AMP. Other demands come in more frequently (as for FMS, Customer Peculiars, etc.), monthly or even daily.

i. DRSAR-PDS does not use the ALPHA 603 System, which is used only by DRSAR-PDM for Ammunition. However, DRSAR-PDS does accomplish this same function for Weapons, using ASPR guidance for making component "breakouts". They do not "breakout" to the degree done for ammunition. They have a complete master list of drawings and master list of specifications, on every item; but no consolidated, integrated "Master List/Register" comparable to the DRSAR-PDM "603" system.

j. DRSAR-PDS does not get into spare parts at all, except for some Customer Peculiar. All other spare parts are handled by DRSAR-MM.

k. The ABC System is strictly for Ammunition and does not include Weapons at this time. Same for "603".

l. Not used.

m. "Maintenance and disposal" direction for Army Ammunition Plant (AAP) stocks is for ammunition only (by PDM), and not done by PDS (PDA, PDV) for Weapons.

n. DRSAR-PDS does not handle Army Stock Fund (ASF) Secondary items or repair parts for ASF replenishments. ASF requirements do not come thru DRSAR-PD, but go directly to DRSAR-PC.

o. DRSAR-PDS does not do "Provisioning". That is a function performed by DRSAR-MA.

p. DRSAR-PDS frequently procures and furnishes "user" (i.e.; other agency managed) items as GFM to contractors. This is an exception to their general policy and they prefer not to do so if it can be avoided. These "user" items may be GSA/DSA items, or items out of our own stock with accountable records in DRSAR-MM. These include such items as special bolts, etc., which the contractors can not economically procure on the open market.

q. There are two categories of "Production Managers" in DRSAR-PD. One for ammunition in PDM (Munitions), and another for weapons and all other items in PDS (Small Arms), PDA (Artillery, Fire Control, and Air Defense), and PDV (Vehicles, and Tool Sets). Their missions, function and procedures are different, and they are addressed separately in the ARRCOMR 10-1 Mission and Function statements. (They were also separately addressed in the DRSAR-PD response to the Preliminary Survey Questionnaire.)

r. Due to the difference in missions and functions, DRSAR-PDS (and PDA, PDV) procedures vary in some instances from those reported by DRSAR-PDM in the discussion meeting. Principle variations are:

(1) DRSAR-PDS can and does issue PWD's without prior Definitive Shipping Instructions (a DRSAR-PD policy-mandated requirement for DRSAR-PDM PWD's). The DRSAR-PD policy requiring definitized shipping instructions prior to issuance of PWD's is not applicable to DRSAR-PDS. Current policy requires definitized shipping instructions 60 days prior to shipment, whereas PWD's for weapons may have up to two years lead time prior to anticipated delivery date. For this reason DRSAR-PDM codes a "fictitious" shipping directive on the PWD in order to permit its processing. The PWD is then ammended at a later date and the "fictitious" directive corrected upon receipt of customer shipping instructions.

(2) The "block" of approximately 600-1000 MCN's being utilized in the development of the ABC System has currently been applied only to DRSAR-PDM items, and DRSAR-PDS items are not being numbered and loaded into PMDR at this time through the ABC System. Many weapons items; (e.g., major end items/systems) are already loaded in the PMDR.

(3) DRSAR-PDS does not have weapons components "stock on hand" at producer plants similar to DRSAR-PDM's "stock on hand" of ammunition components at the AAP's. This is because DRSAR-PDM is contracting for the finished end item, and the producer's stock of material and components are his responsibility. DRSAR-PDS only "recognizes" the end item.

(4) The new ABC System for loading items and components into the PMDR for automated CCSS processing is only for DRSAR-PDM ammunition items at this time, and does not currently include weapons and other items from DRSAR-PDS, PDV and PDA.

(5) DRSAR-PDS does provide production management for some "customer peculiar" items (FMS and MIPR), and does handle some direct-cite items (such as weapons procurements for Project Manager at St. Louis).

(6) DRSAR-PDS (PDV, PDA) does not perform maintenance direction as DRSAR-PDM does. Whereas DRSAR-PDM considers ammunition material at the AAP's as "stock on hand" prior to inventory acceptance and therefore subject to "maintenance" actions, DRSAR-PDS does not consider weapons's material at the production site (contractor or arsenal) to be "stock" until it is complete and "acceptable" configuration. Until that time it is the producer's responsibility. DRSAR-PDS "recognizes" the material only upon "acceptance".

(7) Whereas DRSAR-PDM "manages" procurable components but not end items (items of issue), DRSAR-PDS generally "manages" only end items and not components. Bulk materials for weapons production are, like those for ammunition production, generally acquired as "local procurements" by the producer and are not "managed" by DRSAR-PDS.

(8) Since DRSAR-PDS "manages" end items and is primarily concerned with the (contract) quantity of "acceptable" finished items, they do not perform disposal direction in the sense that DRSAR-PDM does for reject/obsolete/excess/overage stocks at the AAP's.

3. DRSAR-PDS suggested Problems and/or Areas for Improvement of ARRCOM Inventory Management:

None at this time.

4. Questions for which DRSAR-PDS's TSG is to obtain Answers and Provide to PWG:

a. What is the total number of items "managed" by DRSAR-PDS, and what is the "breakout"?

Answer: Each PD Division provided a breakout. See attached item assignment lists.

b. What is the total number of "Active" items?

Answer: The PDS breakout had 55 citations, some with multiple items, for a total of 93 items.

c. Provide a copy of the DRSAR-PD policy DF on the use of "G" override.

Answer: The PDM Division furnished the figure, 532 uses of "G" override from 1 March to 31 August for all the DRSAR-PD Directorate.

STUDY ON CENTRALIZED vs DECENTRALIZED ITEM MANAGEMENT
WITHIN HQ ARRCOM

Discussion Meeting between PWG and DRSAR-QAD TSG

23 August 1977

1. DRSAR-QA TSG Attendee: Mr. Mike Shinnars, DRSAR-QAD

2. General Discussion:

a. DRSAR-QA "managed" items are Final Acceptance, Inspection and Test Equipment (T&E). These include:

- (1) Small caliber ammunition metal parts inspection test equipment. These are inventory controlled by DRSAR-QA and stored at RIA. They are issued/provided as GFE and used by contractors and LCAAP.
- (2) Small caliber ammunition ballistics test equipment. These are inventory controlled by DRSAR-QA but stored at RIA and used by LCAAP.
- (3) Large caliber ammunition test equipment. These are inventory managed by DRSAR-QA, but stored at the AAP's. All high dollar value and/or long lead time items are stored at Iowa AAP. The small dollar value items are stored at the using AAP's that produce the ammunition.
- (4) Mortar and recoilless rifle test equipment, which is pending transfer to ARRCOM with the National Procurement Mission (NPM) for these weapons. The test equipment is stored at Watervliet Arsenal, which previously had the NPM.
- (5) Fire control inspection equipment, which is stored at Senneca Army Depot. Inventory control responsibility for these items was assumed by DRSAR-QA with the closure of Frankford Arsenal (which previously had the responsibility).
- (6) Chemical test equipment, which is stored at Pine Bluff Arsenal. DRSAR-QA's inventory control responsibility for these items was picked up from Edgewood Arsenal.
- (7) Small caliber propellants and explosives (P&E) ballistics test equipment, stored at RIA but inventory controlled by DRSAR-QA.
- (8) Weapons final acceptance equipment, and an inventory of weapons repair parts are all stored at and inventory controlled by RIA. DRSAR-QA's function on these items is staff supervision only.

b. DRSAR-QAD has approximately 2300 Line Items (by Drawing/Part Number), including approximately 1500 for recoilless rifles and mortars. For small caliber test equipment much of this is small dollar value, and expendables--mostly ballistic test equipment. A summary listing of the DRSAR-QA inventory was provided (attached).

c. DRSAR-QA has logistics life cycle responsibility (manages items for National Inventory use) for all product assurance items assigned to HQ, ARRCOM for National Procurement Mission.

d. DRSAR-QAD now has one GS-2010-09 for Final Acceptance and Inspection Equipment. DRSAR-QAD also has two 2005's (supply technicians) in support of the Inventory Manager, but the slots are not filled at this time.

e. DRSAR-QA feels its items are unique and peculiar to DRSAR-QA. They are "industrial stocks" and not field issuable, not appropriate to CCSS, and should not be "centralized."

f. DRSAR-QA deals with the industrial side --; e.g., the "Contractors." rather than the retail/user.

g. DRSAR-QA Inventory Managers do get involved with budgetary aspects for the items managed. Funds for acquisition of inspection equipment comes from quality assurance production support funds (PEMA/PM).

h. DRSAR-QA does get involved (to some degree) in all six elements of inventory management for assigned items.

i. DRSAR-QA does not need or use MCN for their "normal" inventory actions (the GFE, "industrial stocks"). All Inspection Equipment is accounted for by Part Number. DRSAR-QA has an internal SOP for management of the T&E equipment inventory. It is DRSAR-QA "peculiar" and not according to DRSAR-MM procedure. DRSAR-QA has Part Number inventory control, on an equipment list (this is a form of cataloguing). Formal cataloguing really falls under the initial design of the item. The items are listed in a TDP for use in inspection of a product, and this is accomplished during the R&D effort by the design agency.

j. DRSAR-QA's central inventory control consists of independent "stock lists" generated by the stocking centers (RIA, IAAP, etc.). DRSAR-QA does not have an automated, integrated master listing of all T&E equipment. They do have manual listings (as above).

k. The principle regulation guiding DRSAR-QA's inventory management is DARCOMR 702-2, which establishes policy for supply and maintenance of inspection/test equipment. The emphasis of this regulation is on the contractor designing and providing necessary T&E equipment, especially for ammunition. Also, Mil C-45-662 and Mil I-45-208A requirements are placed on the contractor (for ammunition).

l. Not used.

m. External influences on DRSAR-QA in its performance of inventory management are:

- (1) ASPR influences DRSAR-QA in relation to supplying T&E equipment as GFE to contractors.
- (2) DRSAR-QA's mission to support other organizations' National Mission for production.
- (3) DRSAR-QA inputs to Section I (of Contracts) for procurement solicitations -- indicating if appropriate T&E equipment is available, or must be provided by the contractor.

n. DRSAR-QA "sales" have been by FMS or MIPR, billed as Augmentation and Modernization (AM), and the money recouped at DARCOM/DA level. MIPR's come in to DRSAR-CP's Customer Control Office (DRSAR-CPF), then go to DRSAR-QA for "class" of sale, then back to DRSAR-CPF. DRSAR-CPF then sets up Army funds (by 1006) to recoup the money for the sale.

o. Other customer (FMS, NASA, etc.) requirements for "sales" of T&E equipment has been minimal in the past, but has increased some in the last year with the assumption of the small caliber mission from Frankford. DRSAR-QA estimated that 95% of their item actions have been "Inter-Industrial-Accounting." Most DRSAR-QA equipment is supplied under Industrial Accounts (DD 1149) and not through the Federal Supply System (through CCSS).

p. Quality assurance production support funds are used for DRSAR-QA "buys." Resource requirements are determined by DRSAR-QA, the requirement is sent to DRSAR-PD where the PWD is prepared (from a draft PWD prepared by DRSAR-QA). Materiel is then entered into the quality assurance inventory. Weapons and repair parts for ballistics tests are MILSTRIP requisitions using quality assurance production support funds.

q. The following data was collected for the 1 February 1976 through 31 August 1977 time frame (18 months):

	<u>FMS</u>	<u>Items</u>	<u>\$ Value</u>
Price and availability, 8 planned but not accepted sales		36	72,636.00
Accepted sales	7	22	91,679.00

3. DRSAR-QA suggested Problems and/or Areas for Improvement of ARRCOM Inventory Management:

a. Problem: "Sale" of T&E equipment, especially by FMS, rather than the "normal" (95%) activity of GFM. "Sales" cause 30% of the IM's efforts, but only 5% of the value/volume.

b. Problem: No set procedure/guidelines are applied for control, billing, and follow up on these "sales" cases.

c. Suggestion: Establish standard, common procedures to assign MCN/NSN to these IL sales of T&E equipment and process them through CCSS, off-line if necessary.

4. Questions for which DRSAR-QA's TSG is to obtain answers and provide to the PWG.

Answers to questions pertaining to DRSAR-QAD have been incorporated in these discussions notes. Questions pertaining to DRSAR-QAM are addressed in separate discussion.

DRSAR-QA

INSPECTION EQUIPMENT INVENTORY

<u>Category</u> <u>(Storage Site)</u>	<u>Line Items</u>	<u>Quantity</u>	<u>Dollar Value</u> <u>in Thousands</u>
Small Cal. Ammo * (RIA)	220	2,722,760	\$ 1,564
Large Cal. (Iowa AAP)	355	6,500**	2,935
Fire Control (Seneca)	165	402**	573
Chemical (Pine Bluff)	35	239**	700
Mortars & RR (Watervliet)	1534	4,853**	879

* Also responsible for supply of Ballistic Test Equipment including NSN items (Weapons & Repair Parts) to Support Acceptance Testing of Ammo.

** Includes quantities of equipment on loan to contractors.

STUDY ON CENTRALIZED vs DECENTRALIZED ITEM MANAGEMENT
WITHIN HQ ARRCOM

Discussion Meeting Between PWG and DRSAR-QAM TSG, 31 August 1977

1. DRSAR-QA Representatives were: Don Dau, DRSAR-QAM
Carl Decker, DRSAR-QAM
Mike Shinnars, DRSAR-QAD
Sharon Peters, DRSAR-QAD
2. General Discussion:
 - a. Items managed in DRSAR-QAM are those for testing ammunition, namely:
 - (1) Calibration equipment for acceptance testing.
 - (2) Service type components for products already calibrated.
 - (3) Master calibration/reference calibration which serves as criteria for acceptance testing and stockpile reliability.
 - b. Items are located at proving grounds and ARRCOM ammunition plants.
 - c. Stock accountability is handled manually. Stock cards are used to annotate shipping orders, receipt, etc. Inventory status is reported to DRSAR-QA on a quarterly basis, from the proving ground where the material is located. DRSAR-QA would have difficulty maintaining total accountability.
 - d. DRSAR-QAM has responsibility for assigned materiel from the date of requisition to disposal. Responsibility is assumed after type classification, for product testing and stockpile reliability.
 - e. DRSAR-QAM has no national procurement responsibility. "Sales" are made from stock on hand. The sold items are replaced when replenishment of the item is undertaken (similar to a stock supply study).
 - f. Practically all "sales" from DRSAR-QAM originate in DRSAR-IL. FMS money is kept by an agency in D.C. The sequence of events is as follows:
 - (1) FMS request come in to D.C. and is sent to DRSAR-IL.
 - (2) DRSAR-IL sends to DRSAR-QA for price and availability.
 - (3) The request finds its way back to D.C. for acceptance or rejection.
 - (4) If accepted, the request is sent back to the HQ.
 - (5) DRSAR-CP fashions form 1006 and forwards to DRSAR-PD.
 - (6) DRSAR-PD develops form 1095, with a copy to DRSAR-QA.

- (7) DRSAR-QAM sends requisition to the site where the materiel is located.
- (8) The site sends a 1080 to DRSAR-CP who reimburses the site which sent the materiel.

g. There are four spaces on the DRSAR-QAM TDA devoted to item/inventory management.

- (1) One GS-2010-11
- (2) One GS-2010-09 (vacant) (about 4-5 weeks)
- (3) One GS-2005-07
- (4) One GS-2005-06 (vacant) (about 3 weeks)

h. CCSS (with very rare exceptions; e.g., dummy rounds) is never used for QAM buys. DRSAR-QAM sales are for those items physically controlled by DRSAR-QA. The DRSAR-QAM Item Manager does obtain, from field service stock, test rounds of ammunition by NSN. This is basically a "requisitioning" activity in support of ballistics tests at Proving Grounds, and not a full Inventory Management effort as such.

i. There is no way to estimate QAM sales in terms of dollar amount. Sales are usually from stock located at APG.

j. Sales are made from the PEMA (PAA) account which is converted to AIF at the inventory site (for test instrumentation from APG).

k. There are no unusual or peculiar "influences" affecting DRSAR-QAM items.

l. Not used.

m. Almost 100% of DRSAR-QAM sales originate in DRSAR-IL.

n. Time and volume regarding sales in DRSAR-QAM is:

	<u>Time</u>	<u>Volume of Material</u>
Sales	30%	5%
Regular Work	70%	95%

o. There are NSN's assigned to all DRSAR-QAM items, but not to the components.

p. All FMS are coded RS with few exceptions. RS designates "supplied from stock, replaced by procurement." Code AM designates, supplied from stock, not replaced by procurement.

q. Each DRSAR-QAM component is tested; as is the final end item. Testing has a cumulative affect.

r. DRSAR-QAM does not get involved with budgetary aspects of sales.

s. NSN's/MCN's are not generally used in DRSAR-QAM. There are NSN's for most DRSAR-QAM materiel, except there are none for components. The majority of "sales" are in the components area. As previously noted, there is no way to estimate annual demand/line items/dollar value of sales. Drawing/part numbers are used for identification in the manual system used.

t. The functions of inventory management are handled as follows:

- (1) Cataloguing - by the design agency.
- (2) Requirements computation - DRSAR-QAM establishes requirements for testing ammunition/components/etc.
- (3) Procurement Direction - DRSAR-QAM directs resupply.
- (4) Distribution Management - BY DRSAR-QAM.
- (5) Maintenance Direction - None required (for practical purposes).
- (6) Disposal Direction - by DRSAR-QAM.

u. DRSAR-QAM follows the basic guidance in AR 725-50, "Requisitioning, Receipt and Issue System." There is an SOP for shipping orders and another for processing requisitions.

3. DRSAR-QAM suggested Problems and/or Areas for Improvement of ARRCOM

Inventory Management:

a. Problems:

Some problems are caused when sales are given the wrong code (RS/AM as described in para "p" preceding). This causes a financial mix-up and prevents release of the materiel.

b. Suggestions:

Carl Becker made the following statements in defense of maintaining status quo:

- (1) The manual system is most appropriate.
- (2) "Sales" is a sideline in DRSAR-QAM. Their main job is providing test/calibration materiel in regards to quality assurance of ARRCOM materiel. These are quality assurance peculiar items not normally intended for sale.

- (3) Management of these items requires a great deal of coordination and involves interfaces, both within and without DRSAR-QA/ARRCOM; e.g., reuse of "lots" of items rejected, availability of substitute material, review of the "quality plan" upon which the material is based, etc.
- (4) Personnel involved in item management in DRSAR-QAM work in close coordination with, and use the same files and data as do personnel in the other divisions of the Quality Assurance Directorate.
- (5) DRSAR-QAM has established a new procedure for funding artillery test instrument for FMS cases. Procedure is provided in attached DF.

DRSAR-QAM

DRSAR-ILM-A

ATTN: Mr. D. Good

**Funding Procedure Required to Supply Artillery Type Test
Instrumentation to Foreign Governments (FMS) from
Aberdeen Proving Ground thru ARRCOM, DRSAR-QAM-P**

DRSAR-QAM-P

15 Sep 77

Mr. Decker/db/4021-233

1. Aberdeen Proving Ground has been assigned the responsibility to design, develop, procure, store and distribute test instrumentation required by all US Army Proving Grounds involved in the measuring and recording of chamber pressure, projectile velocity and accuracy of all types of artillery ammunition.
2. As this materiel is peculiar to ammunition testing requirements, this office, DRSAR-QAM-P, is the ARRCOM manager for these items. There are approximately 70 each items in this group. They have been identified with stock numbers containing X05 which we have been told ARRCOM's machine will reject. This office uses these X05 numbers, drawing numbers and nomenclature in our communications with Aberdeen Proving Ground.
3. Following is the procedure required by this office, DRSAR-QAM-P, DRSAR-CPB-P and DRSAR-PD:
 - a. Price and availability will be provided by DRSAR-QAM-P. When materiel is supplied from stock, estimated replacement cost will be required. This will be based on last procurement of item increased by inflation factor(s) in accordance with DA guidelines.
 - b. When FMS is accepted and funds received by ARRCOM then DRSAR-IL prepares DRSAR-FL-221 and send it thru DRSAR-CPE-CCO to DRSAR-CPB-P.
 - c. DRSAR-CPB-P prepares DARCOM Form 1006C and sends it to DRSAR-PD.
 - d. DRSAR-PD sends Form 1006C to appropriate production directorate office which prepares a DARCOM Form 1095. For proving ground type test instrumentation this usually is DRSAR-PDM-A. This Form 1095 will include the AMCMS Code, PRON, Customer Order Number, Accounting Classification, FMS Case Identifier Code, Requisition Document Number if available at time of preparation and state that materiel will be supplied thru DRSAR-QAM-P. A Form 1095 will be prepared for each line item and set up to permit DRSAR-CPF-C to reimburse Aberdeen Proving Ground when Form 1080 is presented for payment. Form 1080 may be for more than one line item but each line item must be identified with above funding data and include the requisition number which would have been provided to Aberdeen by DRSAR-QAM-P.
 - e. When above DARCOM Form 1095 is prepared and this office, DRSAR-QAM-P, is advised, then shipping instructions will be issued.
 - f. No test instrumentation materiel will be shipped from Aberdeen without the required funding data.

D. E. DAU

Chief, PG Liaison & Tech Svc Br

DRSAR-QAM

SUBJECT: Funding Procedure Required to Supply Artillery Type Test Instrumentation to Foreign Governments (FMS) from Aberdeen Proving Ground thru ARRCOM,
DRSAR-QAM-P.

CF:

DRSAR-CPB-P/Mr. R. Brown

DRSAR-CPF-C/Mr. D. Hamerlinck

DRSAR-PDC-P/Mr. K. Seymour

DRSAR-PDC-S/Miss M. Tucker

DRSAR-MMT-S/Mr. K. Beck

DRSAR-ILE-E/Mr. W. Henry

Cdr, APG

(STEAP-CS-B/Miss M. Moore)

Cdr, APG

(STEAP-CO-P/Miss L. Johnson)

Cdr, APG

(STEAP-MT-G/Mr. R. Huddleston)

Cdr, APG

(STEAP-MT-A/Mr. F. Poughkeepsie

STUDY ON CENTRALIZED vs DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

Discussion Meeting Between PWG and DRSAR-IL TSG

23 Aug 77 - Includes Verification on 27 Sep 77

1. DRSAR-IL TSG Attendees: Dick Harris
Al Kieffer

2. General Discussion:

- a. DRSAR-MM does not process DRSAR-IL's AD rejects (approximately 700). DRSAR-MM does have about 7000 "Army" AD rejects which they are processing. DRSAR-IL's AD rejects can be recognized by the Document (case) Number, and DRSAR-MM returns them to DRSAR-IL for resolution.

- b. DRSAR-IL publishes two "Data Books":

- (1) DRSAR-IL FMS Data Book which lists all systems/parts which are currently available for FMS.

- (2) DRSAR-IL R & D Data Book (now put out by ARRADCOM) which lists all new items/systems in development which may become eligible for FMS.

- c. DRSAR-IL deals with items both with and without NSN's, but can and do screen DLSC and coordinate with DRSAR-MM for stock assets/availability.

- d. DRSAR-IL really does none of the basic six elements of inventory management.

- (1) Requirements Computation, for example, is by "individual demand, as received."

- (2) Disposal/Disposition Direction is another example. DRSAR-IL does have one man who queries other countries if another country reports excess Grant Aid/MAP items. (If the foreign country actually bought the item under FMS, the country may dispose of their excess at their own discretion.)

- e. DRSAR-IL prefers to have its "cases" processed thru CCSS, but does do "off line" processing also.

- f. DRSAR-IL basically processes its cases thru DRSAR-MM's IM's; with requisitions (cut by ILC) going directly to the CCSS system without either DRSAR-IL or DRSAR-MM IM seeing it. But, the DRSAR-MM IM does have the overview responsibility for the item in terms of

TOTAL stock requirements and status. Billing is accomplished automatically thru CCSS if the items have NSN (non-AD rejects). Major and/or controlled items are all "seen" by DRSAR-MM's IM by automatic "flag" and output from CCSS.

g. DRSAR-IL sends standard form 900 to DRSAR-MM for price and availability on items listed on a case offer.

h. DRSAR-IL basically does not screen DLSC prior to establishing a "case", due to lack of training in procedures. The average IL case is seven line items per case, but may go as high as 70-75 lines. The lines may be for unrelated items, but it is normally required that weapons and ammunition be in separate cases.

i. DRSAR-MM generates PWD for IL's cases involving "standard" items (w/NSN). DRSAR-MM is not set up to run "off line" orders. DRSAR-IL initiates the PWD's for non-standard items, but is not staffed to handle a large volume of these. They therefore query other directorates for price and availability on those items not managed by DRSAR-MM. (DRSAR-IL first sends form 900 to DRSAR-MM, then out to other directorates for those items not "accepted" by DRSAR-MM.)

j. The bulk of DRSAR-IL's cases/demands come from four countries: Korea, Thailand, Taiwan and Israel, for non-standard items.

k. DRSAR-IL in the past was assigned a "block" of MCN numbers which they internally assigned to case items that did not have valid NSN's. This practice has ceased. Currently they are attempting to go to DRSAR-MA when an MCN/NSN is required, but DRSAR-MA is declining to process for anything other than DRSAR-MM's "standard items" and DRSAR-MA's own assigned APE items.

l. Not used.

m. The IL "Case Managers" do NOT "manage" the items as such. They manage the cases. DRSAR-IL does not have a central control section/list for all items "demands" by other countries. They do keep a shipment history on major items. (IL definitions: "Standard": those items with NSN assigned; and "Non-Standard" all others.)

n. DRSAR-IL is now developing a "Management System" which will include a listing of all items "demanded" under each case.

o. DRSAR-IL personnel are not trained or qualified in "Cataloguing" and this becomes a problem in identifying "non-standard" items where no NSN is available and the same/identical "item" may be described differently by various countries which may be requesting it.

p. DRSAR-IL has no 2010 IM Specialist job series in their TD.

q. DRSAR-IL has 38 "Case Managers".

r. DRSAR-IL has approximately 1600 active cases, approximately 100 new request per month (80% of which are case accepted) and an average of 7 lines per case.

s. Primary Functions of Case Managers:

- (1) Receive requirement from foreign country (by letter, etc.).
- (2) Write Case (Letters of Offer/Acceptance).
- (3) Prepare Case:
 - (a) Request for price/availability (Form 900).
 - (b) Process to MM/PP.
- (4) Write formal letters of offer; staff, approve and mail.
- (5) If "accepted" by country, follow up on supply.
- (6) Follow up on billing.
- (7) Close out case.

t. As part of it's procedure for "Case Preparation," DRSAR-IL distributes (for it's Case Managers) a monthly "Item Supportability" list based on a list generated by DRSAR-MM and a separate list from DRSAR-MA for items supportable from their Concurrent Spare Parts (CSP) list. DRSAR-MA generates a list of recommended spare parts (and quantities) to support end items. This list shows both part numbers and NSN/MCN. DRSAR-IL then has a reference Concurrent Spare Parts list *(CSP), and does screen case items against this list for NSN/MCN. If NSN/MCN exists, the item is put on a case by converting the part number from the CSP to the proper NSN/MCN. Then the NSN/MCN is used by IL for requisitioning. If no NSN/MCN is shown for the item after screening the list from MA, the item is NOT put on DRSAR-IL's CSP. *(DRSAR-IL's internal CSP is actually a "recommended list" of spare parts appropriate to the particular case, and provided to the country along with the case for acceptance.)

3. DRSAR-IL TSG Suggested Problems and/or Areas for Improvement of HQ, ARRCOM Inventory Management:

a. Problems:

(1) The practice (currently forbidden) for DRSAR-IL people randomly trying to put non-standard items thru the system (CCSS) and/or applying MCN's to items without coordination or following standard procedures. This has resulted in duplications, AD rejects, non-billings, etc.

(2) After case acceptance, when a country requisitions items:
(a) If they request a quantity greater than a "maximum release quantity" the system (CCSS) rejects the order and sends it to the IM in DRSAR-MM for action/decision.

(b) If they request items not offered in the CSP case, a new "case" must be generated; and the items may be GSA/DSA stock and/or non-standard material. This will generate an AD reject and "non-billing," and must be billed manually.

b. Suggestions for Improvements:

(1) ARRCOM needs some kind of centralized control for inventory management especially for the "non-standard" items.

(2) DRSAR-MM should have a "Non-Standard Item Section".

(3) Overall ARRCOM lack of knowledge on procedures (for screening DLSC, acquiring MCN/NSN, etc.) is the key to the "item management" problem.

(4) All cataloguing, etc. should be in one place, and that place is DRSAR-MM.

(5) Logical place for management of all items is DRSAR-MM.

(6) If inventory management functions were centralized (as, in DRSAR-MM), some man-years of DRSAR-IL efforts in this area would be transferable, but exact amount (and spaces) would have to be subject to a more close analysis.

4. Questions for which DRSAR-IL TSG was to obtain answers and provide same to PWG:

a. Question: Does DRSAR-IL have a Central Listing of the demands and frequencies on items, and does the IL Open Status Report give status of non-standard items?

Answer: Yes; however, there is no way to compute status because the items do not have a MCN/NSN to key on. Any computation would have to be done manually, as the report is aligned by Country and Case.

b. Question: What are IL's Procedures for obtaining MCN/NSN?

Answer: Our Case Managers were partially filling out the required form, sending it to DRSAR-MM cataloguing and getting a MCN assigned. This procedure has been stopped until DRSAR-MM and DRSAR-MA resolve their differences. (DRSAR-MM won't accept Selection Work Sheet Form 19 from any one but DRSAR-MA. DRSAR-MA will not process and screen for other than PMDR "Standard" Items).

c. Question: Who initiates PWD's for DRSAR-IL case items, and what are the procedures for procurement or production of items not suppliable from DRSAR-MM "stocks?"

Answer: Our IL case Manager initiates the PWD and forwards it to DRSAR-PD for procurement action on non-standard items (those for which no IM has been identified). PD procures the item for IL. Procedures within PD, PC will have to be addressed by those directorates.

d. Question: How many Case Managers, and what positions?

Answer: DRSAR-IL has 12 series 2001-GS-12 "Country Managers" and 38 "Case Managers", which are Series 2001-GS-9's and 11's, General Supply Specialists. DRSAR-IL also has 12 Series 2005-GS-7's, Supply Technicians. (DRSAR-IL suggests that the PWG meet with Mr. Jim Harding, Mr. Harvey Rice and Mr. Bob Skalla of DRSAR-IL to discuss specific details if desired.)

Added, from a discussion on 8 Aug 77. Control of DRSAR-IL items is accomplished by development of a delivery plan, and monitoring the plan on a quarterly basis. This involves interface with DRSAR-MM.

STUDY ON CENTRALIZED vs DECENTRALIZED
ITEM MANAGEMENT WITHIN HQ, ARRCOM

Additional Questions to IL on 27 Sep 77

1. Demands for sales:

Q. How many per year?

A. 1200, of which 80% are finalized.

Q. Number of line items involved?

A. 6720.

Q. Total dollar value?

A. No summaries are kept; it would require 3 or 4 hours to run a tape on all the lines in the book.

2. How many customer peculiar item demands have you procured in the past year?

A. No records are kept.

3. How many non-ARRCOM-managed demands have you procured in the past year?

A. No records are kept.

4. How many requests do you have in-house for Form 19 processing for MCN or NSN:

Q. How many for Standard Item?

Q. How many for Non-Standard Items?

A. None at the time of the discussion with PWG.

INSPECTION EQUIPMENT

IL REQUIREMENTS 1 FEB 76 - 31 AUG 77*

	<u>CASES</u>	<u>ITEMS</u>	<u>DOLLAR VALUE</u>
P&A	8	36	\$72,636
ACCEPTED	7	22	\$91,679

* All requests involve small caliber ammunition ballistic test equipment, this mission was transferred from Frankford 1 Feb 76.

8-8-77

MEMORANDUM FOR RECORD

SUBJECT: Discussion of Preliminary Survey with Personnel from DRSAR-IL

1. Meeting was held in DRSAR-IL Office of the Deputy Director at 1300 hours, 4 August 1977. Attendees were:

Alan Kieffer	DRSAR-ILP
Richard Harris	DRSAR-ILP
E. Larry Flynn	DRSAR-PTF

2. DRSAR-IL does not have "item managers" per se. The directorate is sub-organized with emphasis on customer (e.g., Korea, Iran, Israel, etc.), as opposed to emphasis on a particular item.

3. Thus three different persons could be managing the same item for three different customers.

4. Standard items, which account for approximately 90% of DRSAR-IL's business, present no problem. They are run through the system via DRSAR-MM.

5. Nonstandard items, such as gages or industrial equipment, are not run through DRSAR-MM. They are forwarded to DRSAR-QA (gages) or DRSAR-PD (plant equipment).

6. The personnel of DRSAR-IL do not know how to complete the form requesting a NSN/MCN. AR 708-1 and the ARRCOM supplement thereto indicate that assignment of NSN's is the responsibility of DRSAR-MM. A procedure to complete the proper form and have a NSN/MCN assigned was being prepared and arrangements being made to train DRSAR-IL (and personnel from other directorates) accordingly. However, a squabble broke out concerning which directorate was responsible for completing the form requesting a NSN/MCN. At the present time, progress in this area is at a standstill. Attempts to resolve this matter are continuing.

7. DRSAR-IL has no direct responsibility for billing, which is handled by DRSAR-CP. However, personnel in DRSAR-IL who initiate action to satisfy customer requests also follow-up to see that all actions are completed, including billing.

8. Control of DRSAR-IL items is accomplished by development of a delivery plan, and monitoring the plan on a quarterly basis. This involves interface with DRSAR-MM.

E. Flynn
E. LARRY FLYNN
Management Analyst
DRSAR-PTF-U

file

CF:

DRSAR-ILP, ATTN: Al Kieffer
DRSAR-ILP, ATTN: Dick Harris

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APPENDIX F

SECTION 2 - Outline and Definitions

OUTLINE FOR DISCUSSION MEETINGS

- Review of Definitions
 - Elements/functions of Inventory Management
 - Definitions of functions
 - Item Management
 - Item/Inventory Manager
 - Centralization/Decentralization
- Items/Materiel Managed by Directorate
 - Types
 - Quantities
- Element and functions performed for these items, and by whom
- Tasks performed within functions
- Other tasks performed which are not part of the six basic "Elements"
 - What
 - By Whom
- Systems, procedures, and forms utilized
- Problems identified
- Improvements suggested

APPENDIX F

SECTION 2 - DEFINITIONS

ITEM/INVENTORY MANAGEMENT*: that phase of military logistics which includes catalog direction, requirements determination, procurement direction, distribution management, maintenance (overhaul/rebuild) direction, and utilization and disposal direction.

* The terms "item management", "inventory management", "supply management", and "inventory control" are considered to be synonymous.

ITEM/INVENTORY MANAGER: is an individual within the organization of an inventory control point or other such organization who for one or more specific items of material performs, as required, the six basic functional elements of item/inventory management which are:

1. Catalog direction: initiation of actions for the timely identification of items and the preparation of manuals incident to the cataloging of items.
2. Requirements determination: computation of quantitative requirements.
3. Procurement direction: authorization, within limitations of approved programs, to require procurement.
4. Distribution management: asset position knowledge and control of stocks that are in, due into, or planned for the distribution system on a quantitative and monetary basis.
5. Maintenance (overhaul/rebuild) direction: authorization for requiring overhaul.
6. Utilization and disposal direction: authorization for requiring disposal and proper utilization of excess stocks prior to disposal.

PRINCIPAL (MAJOR) ITEMS: end items and replacement assemblies of such importance that management techniques require centralized individual item management throughout the supply system to include depot level, base level, and items in the hands of using units. These specifically include the items where, in the judgement of the Department of the Army, there is a need to central inventory control including centralized computation of requirements, central direction of distribution, and central knowledge and control of all assets owned by the Department of the Army. (AR 310-25)

SECONDARY ITEM: end items, replacement assemblies, parts, and consumables, other than principal items. (AR 310-25)

DEFINITIONS (continued)

CENTRALIZED*: 1. drawn to or toward a center.

2. brought under one control, especially in government.

DECENTRALIZED*: having undone the centralization of (administrative powers)

* The American College Dictionary

CENTRALIZATION IN TERMS OF ITEM MANAGEMENT:

PURE CENTRALIZATION: item management within DRSAR would be under one control (i.e., all item managers and their functions would be located and work for one directorate).

DECENTRALIZED: the functions of item management would be spread between several different directorates* (i.e., each directorate could perform all of the elements of the item management or the elements themselves could be divided between the various directorates).

*NOTE: Decentralized in terms of the item management could also define centralized in terms of commodity or items. However, for the purpose of the task force, the definition shall only apply to decentralized by item management.

APPENDIX G

GRAPHS, CHARTS,
TABLES AND
REFERENCE DATA

CHART G-1 PERFORMANCE of ELEMENTS of INVENTORY MANAGEMENT,
by ORGANIZATION of HQ, ARRCOM

ORGANIZATION (ITEM) IM ELEMENT	MM (WPNS, ETC.)	DA (AMMO)	PDM (AMMO)	PD (WPNS, ETC.)	MA (APE)	QA (FATE)	IL (FMS)
Requirements Computation	Yes (Through CCSS)	Yes (Through CCSS)	Yes (Through 603)	Yes (Through 603)	Yes (APE)	Yes (FATE)	No
Cataloging (Direction)	Yes (Through MMC to MA)	Yes (Through MMC to MA)	Yes (Industrial Components)	No	Register and Log. All Items through DLSC	Yes (Informal) (FATE)	No
Procurement Direction	Yes	Yes	Yes	Yes	Yes (APE)	Yes (FATE)	Yes (all items)
Distribution Direction	Yes	Yes	Yes (for stocks at AAP's)	No	Yes (APE)	Yes (FATE)	Yes (For cases)
Maintenance Direction	Yes	Yes	Yes (for stocks at AAP's)	No	Yes (APE)	No	No
Utilization and Disposal	Yes	Yes	Yes (for stocks at AAP's)	No	Yes (APE)	No	No
Remarks		Cataloging by MMC in SM Phase I	Cataloging via ABC system			Account- ability at storage location	

CHART G-2 ORGANIZATIONAL PERFORMANCE OF ELEMENTS OF
INVENTORY MANAGEMENT, BY TYPE OF ITEM

Item Element	Ammo fielded Issue (Std, with NSN)	Other fielded Issue (Std, with NSN)	Ammo Pdctn	Weapons and Other Pdctn	FATE	APE	IL Cases (FMS, etc.) All items
Cataloging (Direction)	DA (MM) (MMC through MA)	MM (MMC through MA)	PD/MM with DA/MMC through MA	MM with MMC through MA	None	None	MMC through MA
Requirements Computation and Determin- ation	DA (MM) with MA	MM with MA	PD with MA/MM	PD with MA/MM	QA (2-2010)	MA (1-2010)	MM/IL
Procurement Direction	DA (MM)	MM	PD	PD	QA with QGL	MA	IL through MM
Distribution Management	DA (MM)	MM	PD with MM	PD with MM	QA	MA	IL
Maintenance Direction	DA (MM) through MA	MM through MA	PD through Mnfr.	N/A	QA	MA	None
Utilization/ Disposal Direction	DA (MM)	MM	PD through Mnfr.	N/A	QA	MA	IL if GA None if FMS

CHART G-3

SUMMARY SHEET - EXISTING INVENTORY MANAGEMENT

DRSAR ORGANIZATION

Type of Items Managed

Weapons/Repair Parts/Other
 Ammo/Renovation Items
 FATE/Repair Parts
 APE/Repair Parts
 Ammo (A) Industrial Stocks
 Weapon (W) Industrial Stocks

MM	DA	MA	PDM	PD*	IL	QAM	QAD
X					X		
	X				X		
X					X	X	X
		X			X		
			Xa		X		
				Xb	X		

Type of Customers/Demands

IL Customers (FMS, etc.)
 MIPR Customers
 Mission Facilities/Contractors
 Other Customers

X	X	X	Xa	Xb	X	X	X
X	X	X	Xa	Xb		X	X
X	X	X	X	X		X	X
X	X						

Accounting/Processing System

CCSS
 Off-Line Automated
 Off-Line Manual

X	X		Xac		X		
		X	X	X			
X	X	X	X	X	X	X	X

Inventory Management Elements

Cataloguing Direction
 Requirements Computation
 Procurement Direction
 Distribution Management
 Maintenance Direction
 Utilization/Disposal Direction

X	X		Xa		X		
X	X	X	X			X	X
X	X	X	X		X	X	X
X	X	X	X		X	X	X
X	X	X	X			X	X
X	X	X	Xa			X	X

Quantity Data

Items Managed (x1,000)
 Assigned Inventory Managers

42	7.6	4.5d	1e	N/A	.3f	2.8	2.3
147	82	1	0g	0g	0h	1	2

Notations:

*=PDA, PDV, PDS (Other than PDM)

a-Ammo component for IL & MIPR customers.

b-Weapons, other non-ammo only.

c-Production stocks.

d-Plus 2200 APE items picked up from Navy (NAD's) under SM.

e-1000 loaded, via ABC, out of 10,000 items of Ammunition Industrial Components.

f-Items recorded by DRSAR-IL, to effect Procurement/Distribution Directions, when existing Inventory Manager could not be found elsewhere.

g-No assigned Inventory Managers. Production Managers will perform necessary Inventory Manager functions on MIPR's and FMS for these items.

h-No assigned Inventory Managers. Any Case/Country Manager may perform any IM functions, but normally do not.

TABLE G-4

CONDITIONS OF INVENTORY MANAGEMENT
PRIOR TO MARCH 1977 TO DATE

<u>PRIOR TO FY78</u>			
<u>Category</u>	<u>Cataloged in NSNMDR</u>	<u>Processing</u>	<u>Procurement Direction</u>
1. All standard, stock-numbered, Army, issuable/saleable items, (ARRCOM is PICA)	Yes	CCSS	DRSAR-MM
2. Nonstandard mission-type and industrial stock			
a. Gages/Test Equipment (FATE)	No	Off-line (PN/DN)	DRSAR-QA
b. Ammunition Peculiar Equipment (APE)	No	Off-line (Stock NR)	DRSAR-MA
c. Industrial Components/ bulk materials (Not AMMO components, if end-item)	No	Off-line	DRSAR-MM DRSAR-IL DRSAR-PD
d. Miscellaneous FMS (No MM, DA, QA, MA, PD Inventory Managers found)			
(1) No MCN assigned	No	Off-line	DRSAR-IL
(2) MCN assigned	Yes	CCSS ("G" Over- ride)	DRSAR-IL
3. Customer Peculiar			
a. Customer is PICA	No	Off-line or "G" Override	DRSAR-MM DRSAR-IL
b. Managed by another agency	Yes & No	Off-line or "G" Override	DRSAR-MM DRSAR-IL DRSAR-PD
c. Obsolete Items	No	Off-line or "G" Override	DRSAR-IL

TABLE G-5

CONDITIONS OF INVENTORY MANAGEMENT
PRIOR TO MARCH 1977 TO DATE

EFFECTIVE FY 78 WITH ASSUMED IMPLEMENTATION OF "DELIVERED-UNBILLED"
TASK FORCE RECOMMENDATIONS

Category 2 changes as follows:

<u>Category</u>	<u>Cataloged in NSNMDR</u>	<u>Processing</u>	<u>Procurement Direction</u>
a. Gages/Test Equipment (FATE)	Yes*	CCSS*	DRSAR-QA
b. Ammunition Peculiar Equipment (APE)	Yes*	CCSS*	DRSAR-MA
c. Industrial Components/bulk materials			
(1) Ammunition	Yes*	CCSS	DRSAR-PD DRSAR-DA DRSAR-IL
(2) Other than Ammunition	Yes*	CCSS	DRSAR-PD DRSAR-MM DRSAR-IL

*When order is received.

EFFECTIVE 1 OCTOBER 1977 (ESTABLISHMENT OF DRSAR-DA)

Category 1 changes as follows:

a. Conventional Ammo. All standard, stock numbered, Army, issuable/saleable, ARRCOM is PICA	Yes*	CCSS	DRSAR-DA
b. Other than Ammo. All standard, stock numbered, Army, issuable/saleable, ARRCOM is PICA	Yes	CCSS	DRSAR-MM

Category 3 changes as follows:

a. Customer peculiar. Customer is PICA			
(1) Conventional Ammunition (Became DRSAR-DA Category 1 Items)	Yes	CCSS	DRSAR-DA
(2) Other than Ammunition	No	Off-line or "G" Override	DRSAR-MM

TABLE G-6

ITEM INVENTORY MANAGEMENT ORGANIZATIONAL STRUCTURE AND POSSIBLE VARIATIONS

ORGANIZATION, DRSAR-	ITEMS (MATERIEL/MATERIAL)						DESCRIPTION of ALTERNATIVE
	FATE	Industrial Stock	APE	Standard (WPNS)	Standard (AMMO)	Various Items	
							<u>STATUS QUO</u> Decentralized Inventory Management by current 6 Directorates (Two NICP's)
MM DA			X		X		1. Includes organization of DRSAR-DA and implementation of "Delivered-Unbilled Task Force" recommendations approved by the CG. DA manages Ammo End Items and related packaging materiel. MM manages weapons and related equipment.
MA QA	X		X				2. Items now managed by QA or MA will be cataloged and recorded in the NSNMDR on receipt of a demand for the item. QA and MA perform all 6 elements of Inventory Manager for their items in NSNMDR. All processing will be in accordance with the CCSS.
PD		X					3. All potential sales items managed by PDM (Ammo Industrial) have been loaded or are in the process of being loaded to the NSNMDR. Weapons Industrial Stocks are not being sold (issued) and need not be loaded.
IL					X		4. Provisions have been made for IL to add items to the NSNMDR. This provision should not have to be utilized, because IL should not offer or accept a case for an item not managed by MM/DA/QA/PD/MA.

ORGANIZATION DRSAR- (*)	FUNCTIONS OF INVENTORY MANAGEMENT						FURTHER DECENTRALIZATION (Alternative A) Functions of Inventory Management assigned to different Directorates (*)
	Cataloging Direction	Requirements Computation	Procurement Direction	Distribution Management	Maintenance Direction	Disposal Direction	
CD	X						Each function of Inventory Management assigned to a separate organizational element (or, each existing Directorate perform any and all functions required for assigned items.)
RC		X					
PD			X				
DM				X			
MD					X		
DD						X	

(*) Newly established directorates resulting from complete reorganization.

TABLE G-7

ITEM INVENTORY MANAGEMENT ORGANIZATIONAL STRUCTURE AND POSSIBLE VARIATIONS

Organization, DRSAR-	ITEMS (MATERIEL/MATERIAL)						<u>DESCRIPTION of ALTERNATIVE</u>
	FATE	Industrial Stock	APE	Standard (WPNS)	Standard (AMMO)	Various Items	
MM DA	X X						1. Centralize QA's mission type items (tools of the trade) with appropriate End Item Manager (weapon gages & testers to MM, and Ammo gages and test equipment to DA); or all of QA's FATE items could be managed by the Tools & Equipment Division, MMT.
MM DA			X X				2. Transfer MA's APE items to DA and/or MMT.
PD	X						3. PD continues to manage Industrial Stocks and makes the end item break-out; but only PDM (Ammo Industrial) items are loaded in the NSNMDR, and Inventory Managed (all 6 elements) by PDM.
MM DA			X		X		4. DA continues to manage Ammo, and MM manages weapons.
MM DA	X X				X X		5. IL will not manage any items. If the command can legally supply an (FMS) item not in the NSNMDR, it will be assigned to the appropriate directorate managing items, and recorded in the NSNMDR prior to processing the requirement.

FURTHER CENTRALIZATION (Alternative B-1)
Decentralized Inventory Management by
only two Directorates (Two NICP's)

MM	X	X		X		X	1. MM provide inventory management for all Weapon End Items, components (military and industrial), bulk materiel and related items, gages and test equipment now managed by QA.
DA	X	X	X		X	X	2. DA provide inventory management for all Ammo End Items, components (military and industrial), bulk materiel, related items, gages and test equipment now managed by QA, and APE managed by MA.

FULL CENTRALIZATION (alternative B-2)
Command Centralized Inventory Management
by only one Directorate (One NICP)

MM	X	X	X	X	X	X	MM provide all Inventory Management for every item the command manages.
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TABLE G-8

ATTRIBUTE ALTERNATIVE ANALYSIS

PRELIMINARY COMPARISON				
Attribute (Performance factor)	Status Quo	Further Decent	Partial Central	Total Central
(Effect/ Factor "Polarity")				
1. Management Control (Direction & Response)	S.Q. 0	Decrease -	Increase 0	Maximum +
2. Item Control (CCSS/ADP/ Audit)	S.Q. 0	Decrease -	Minor Increase 0	Increase +
3. Standard Procedures (Uniform Application)	S.Q. 0	Decrease -	Increase 0	Maximum +
4. Inventory Management (Elements of)	S.Q. 0	Dilute -	Improve 0	Maximize +
5. Cost (Operating & Implementing)	S.Q. +	Increase 0	Minimal Increase +	Maximum -
6. Reorganization (Degree of)	S.Q. +	Major 0	Minor +	Major -
7. Personnel (Requirements)	S.Q. +	Increase -	S.Q. +	Increase -
8. Expertise (Item familiar)	S.Q. +	Increase +	Minor Decrease 0	Decrease -
9. Turmoil (Personnel)	S.Q. +	Major -	Minor 0	Major -
10. Training (CCSS/ADP/IM)	S.Q. 0	Increase -	Minimal 0	Minimal +
11. Coordinations (Operating)	S.Q. 0	Minor Decrease -	Minor Improve +	Major Improve +
12. Duplications (Functions)	S.Q. 0	Increase -	Minor Decrease 0	Major Decrease +
Total "Polarity"	+4	-10	+4	+2

("Polarity" Scale: + = Favorable, 0 = Neutral, - = Unfavorable)

TABLE G-9

ATTRIBUTE ALTERNATIVE ANALYSIS

QUANTIFICATION COMPARISON

Attribute Description	Attribute Weight	Further Decentral.		Status Quo (Current)		Further Central.		Total Central.	
	1,2, or 3	Rank/Value		Rank/Value		Rank/Value		Rank/Value	
1. Management Control	3	-1	-3	1	3	1	3	2	6
2. Item Control	3	-1	-3	0	0	1	3	2	6
3. Standard Procedures	3	-2	-6	1	3	1	3	2	6
4. Inventory Management	2	-2	-6	0	0	1	2	2	4
5. Cost	2	-1	-2	2	4	1	2	-2	-4
6. Reorganization	2	-1	-2	2	4	1	2	-2	-4
7. Personnel	2	-1	-2	1	2	1	2	1	2
8. Expertise	2	2	4	1	2	0	0	-1	-2
9. Turmoil	2	-1	-2	2	4	1	2	-2	-4
10. Training	2	-1	-2	1	2	1	2	2	4
11. Coordination	1	-2	-2	0	0	1	1	2	2
12. Duplications	<u>1</u>	<u>-2</u>	<u>-2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>
TOTAL VALUE	25	-28		+24		+23		+18	

WEIGHT SCALE

3=Critical
2=Important
1=Desirable
0=Not Important

RANKING SCALE

+2=Enhances to High Degree
+1=Enhances Attribute
0=Neutral or Does Not Possess Attribute
-1=Hinders Attribute
-2=Hinders to High Degree

TOTAL VALUE RANGE

$(25W) \times (+2R) = +50 \text{ Max.}$
 $(25W) \times (-2R) = -50 \text{ Min.}$
 "Value" Range = $\frac{100}{\text{Points}}$

APPENDIX H

REFERENCES

(PRIOR STUDIES, REPORTS,
REGULATIONS, ETC.,)

APPENDIX H

References

1. Introduction

a. The search of the literature and other outside resources concerning centralization vs. decentralization as it applied to item management focused in areas as follows:

- (1) Search of the technical libraries at DRSAR-LEP-L and the AMETA school. See Appendix B and Appendix H, Annex 1 and 2.
- (2) Question resource persons in other Army commodity commands, management schools and in industry.
- (3) Search the regulations. See Appendix B and Appendix H, Annex 4.
- (4) Defense Logistics Information Exchange (DLSIE).
- (5) Defense Documentation Center (DDC).
- (6) US Department of Commerce National Technical Information Service (NTIS).
- (7) ARRCOM study, "Review, Evaluation and Resolution of Delivered - Unbilled System Deficiencies," DRSAR-IL, dated May 1977. See excerpts at Appendix H, Annex 3.

b. The results of these searches are cited where applicable directly in footnotes, the Bibliography Section, the Appendix B, Annotated Bibliography or in other Appendices as needed.

2. Summary of Search Results

a. The technical libraries at DRSAR-LEP-L and AMETA provided one book, "Supply Management" by Kuhlman which is reviewed in Appendix B. One other book by Hanssmann, "Operations Research in Production and Inventory Control," confined its attention to the mathematical principle of inventory levels maintenance in a business environment.

b. Resource persons were questioned with results as follows:

- (1) Willis, D. M., "Private Communication to PWG Member A. H. Gustafson" Chief, Planning Office, Deere and Company, Moline, IL, 9 August 1977. The Task Force "Study on Centralized Versus Decentralized

Item Management within HQ, ARRCOM" and the reason the Task Force was established was discussed. Mr. Willis was informed that we were in the data gathering phase of the study and were in need of any studies or reviews Deere and Company may have done in the area of Inventory Management/Item Management Centralization/Decentralization of Management of replacement parts and components etc. Mr. Willis understood the type of data we needed however they have not changed their system or had cause to change their method of Management so therefore have not done any studies along those lines. Their studies are usually conducted by independent outside companies, the last was in 1969 by Booz Allen Associates on Deere and Company Management and Organizational Structure. This study was used by their Board of Directors and would be of little value in our study.

(2) McAreavy, J. M., and Digman, L. D., "Private Communication to PWG Member A. H. Gustafson," US Army Management Engineering Training Activity, AMETA, Rock Island, IL, 25 July 1977. The Dr. Peltier Study (Delivered - Unbilled System Deficiencies) was discussed, and that one of the recommendations of the study was to determine if all Item Managers should be centralized in one Directorate. As a result, a Task Force - "Study on Centralized Versus Decentralized Item Management within HQ, ARRCOM," was established. No reviews or studies related to centralization/decentralization of management, organization, etc. or management in general had been made by the AMETA Staff and a review of the AMETA library also did not result in any usable data.

(3) Castle, R. A., "Private Communication to PWG Member A. H. Gustafson" Chief, Internal Review and Audit Office, Comptroller's Office, ARRCOM, DRSAR-CPI, Rock Island, IL, 8 August 1977. Mr. Castle was aware of the Peltier Study and knew the type of information we needed for reference materiel in our "Task Force Study on Centralized Versus Decentralized Item Management within HQ, ARRCOM." On 17 Aug 77, Mr. Hemingway of the Internal Review and Audit Compliance Office reported to the Task Force that a review of GAO and AAA audits of the last two years had been completed and they had found nothing in our area of interest (Supply Management, Item Management, Item Managers, Centralization/Decentralization of Item Managements, etc.). Most of their Audits were in the area of financial management.

c. Regulations pertinent to the study are cited in the bibliography and by number within the texts. Key regulations are summarized or otherwise reviewed in the Appendix B.

d. Querie of DLSIE under Data Base Search No. 3856-77 yielded 56 citations under a listing entitled "Commodity Management" (CM) and 102 similar citations under the title "Centralized vs. Decentralized Managements" (CDM). The description used to obtain these read outs were as follows:

Management (Managers)

- Central(ized), Decentral(ized), Item, Stock, Inventory, Commodity, Materiel, Supply

Organization(al)

- Structure, Management, Concepts

From the CM bibliographies microfiche (microform).

Copies of the complete reports were ordered as follows:

LD-16533A	LD-24864
LD-16590D	LD-33261A (AD-A003526)
LD-24863	LD-33469

From the CDM compilation the microfiche copies requested were the following:

LD-09647	LD-25043B (AD-886790)
LD-01081	LD-24346 (AD-864000)
LD-05105	LD-25043 (AD-886788)
LD-08750	LD-25043A (AD-886789)
LD-11032	LD-25284
LD-16871	LD-27801
LD-16879	LD-27901
LD-18313	LD-29323
LD-18828	LD-33221A
LD-23567	LD-38165A
LD-23870 (AD-691099)	LD-38481

e. The Systems Analysis Directorate (DRSAR-SA) received monthly printouts from a broader list of descriptors, including Management (control, planning and methods), Facilities (planning, requirements), Operations (analysis, concepts), Materiel (acquisition, maintenance, production, requirements, storage, management), Resources (acquisition, allocation, mobilization, requirements), Organization (analysis, services, evaluation), and Supply (inventory, stock control, NICP). From the July and August 1977 lists microfiche reports were ordered as follows:

LD-38835A	LD-39140A
LD-38884	LD-39027N
LD-38924A	LD-39027P
LD-38967A	LD-39116A
LD-38988A	LD-39117A

f. Under search control number 059279 the DDC files were searched, giving the Center the same descriptors as those given DLSIE. However, the DLSIE analyst indicated by telephone that few duplicate citations

APPENDIX H

ANNEX 1

Complete literature survey conducted as part of the Mobilization Designee F. Botterbush 's assignment (as part of the PWG) while at HQ, ARRCOM, DRSAR-PT. The results of the survey emphasized the lack of uniformity in terminology found in the management literature concerning centralization vs decentralization. There is no singular correct application of the two terms, nor any unquestionable finite list of advantages or disadvantages for either option.

APPENDIX H

ANNEX 1

Summary of Literary Review Conducted Concerning the Relative Advantages and Disadvantages of Centralization and Decentralization (1)

PROBLEM: To determine the relative advantages and disadvantages of centralization and decentralization in organizations similar to HQ, ARRCOM.

DISCUSSION:

1. The literature listed at TAB A was reviewed for discussion of the above subject.

2. The overall management organization for industry was basically divided into three categories:

(a) Line-organization or centralized. In this organization the line of authority passes directly from the boss to the various subordinate executives of various activities to the lowest level. The flow of the instruction or authority can be traced, unbroken, from the lowest level to the boss. This is used in small businesses.

(b) Functional organization or decentralized. Managerial activities are divided so that each head, from the assistant superintendent on down, has as few functions as possible and is able to become a specialist in these. Authority from top on down is delegated according to functions. The worker level takes orders from several supervisors in regard to the particular function over which the supervisor has control.

(c) Line-staff organization or partial decentralization. Functional staff departments are established to advise, serve and work through line foremen as well as the organization. The line of authority flows through the staff from top to bottom; however, this is clear cut and undivided delegation of authority. This is the overall organization of HQ, ARRCOM.

3. The organization of the staff section is further classified as centralized and decentralized by function.

4. In the simplest sense of centralization, only one staff will perform a given function such as research, inventory, etc.. This staff may be subdivided by project or speciality field; however, all these functions for the organization will be in one staff agency.

5. In the simplest form of decentralization, each staff agency will perform all functions as they pertain to the overall activity of that staff agency. This more closely fits the current organization of this headquarters, i.e., functional directorates.

6. There exists a disparity on terms among the texts on the terms centralization/decentralization in that centralization of functions is decentralization of management and decentralization of functions can be centralization of activities. This was resolved in context of the study. The study group charter dealt with centralization/decentralization of item/inventory management or functions, thus only those items relative to centralization or decentralization of functions were considered. The delegated authority to accomplish the function is considered inherent with the function.

7. The degree of centralization can and usually does vary within industry depending upon objectives of the company, its size, etc.. An example often cited was the accounting section, which is usually centralized regardless of the decentralization of the rest of the functions.

8. Most authors dismissed the extremes of centralization/decentralization summarily as unworkable in all but rare cases. The exception being total centralization of functions within small businesses.

9. The basic advantages listed for centralization were as follows:

a. Duplication of functions is minimized or eliminated, since all like-type functions are centralized, and generally only one agency or staff section performs a given function.

b. Performance or non-performance of duties is easily traced. Only one section performs a function, thus the results are readily identified.

c. System discipline (ADP or manual) is easily maintained. One supervisor insures consistency of operation.

d. There is unity of control over a function. There are no overlapping responsibilities.

e. Fastest overall reaction to a given problem. Since only one staff agency has to react to a functional area, the time lost in coordination is eliminated. The priority of a project is consistent in the staff.

f. Most efficient use of ADP capability. The computer summarizes and works larger batches of data and prepares fewer reports. Less internal routing and less print time.

g. The volume justifies hiring specialists at the higher level of staff functions, but allows the hiring of less specialized personnel at lower levels as they have the guidance and constant supervision of a specialist.

h. More talented personnel are easily identified as their contribution to the overall effort is easily identified.

10. The disadvantages to centralization were as follows:

a. There is a lack of specialization at the lower levels as each staff element must perform the same function on a wide variety of conditions.

b. It is difficult to place equal emphasis on several projects. There is a tendency to rank projects within a single agency.

c. Managers are overlaid with matters that require their personal attention. All inquiries come to a single agency and must be reacted to individually.

d. Managerial ability is not as well developed at lower levels. Since direction is unified in a staff section, the capability of lower managers is overshadowed by that of the staff chief.

e. Limited depth of operation. The loss or absence of an individual can have a broader effect in the organization.

f. Greater development of bureaucracy. A centralized staff tends to develop layers of managers due to its sheer size.

g. Does not fully utilize the capabilities of ADP equipment. Computers are capable of sorting and manipulating data into small specialized areas. This capability is not normally utilized in centralized staff agencies.

11. The basic advantages listed of decentralization were as follows:

a. Allows for more specialization at the lower levels. Since each staff section performs a function as it relates to their area of responsibility, specialization can develop.

b. Managers develop broader abilities as they manage several functions.

- c. Equal priority can be given multiple projects.
 - d. Managers have more first hand knowledge of problems. Minor problems are easier to identify as the staff agency has a function only as it applies to them.
 - e. Greater probability of innovation procedure being developed. There procedures can be developed and debugged in one staff agency prior to full implementation agency wide.
 - f. The organization is better able to adapt to the absence of an individual.
 - g. Decisions are placed at a lower level closer to the situation.
 - h. Problems can be identified by product and are less apt to affect the total organization.
12. The disadvantages listed for decentralization were as follows:
- a. Difficult to enforce system discipline.
 - b. Overlapping managerial responsibilities can develop into internal problem with adverse effect at the production level (or too many bosses).
 - c. Functions are duplicated in each staff.
 - d. Coordination of the overall effort can be difficult at the top level due to the number of staff agencies that must be dealt with.
 - e. It is difficult to fix responsibility for poor performance at the functional level because many people may be performing identical functions.
 - f. Not as responsive to general functional problems.
 - g. Management not as consistent as centralized procedures.
13. The overall conclusion of most texts was that decentralized operations were the most effective and efficient. ADP becomes essential in a decentralized operation to allow timely responses to a condition or, as stated in Murdick and Ross in reference to computerized system, "It is this centralized control that permits decentralized operations." (2)

W. E. BOTTERBUSH
Major, AGC
(Mobilization Designee, Sep 77)

(1) The terminology in this appendix comes from a search of the textbook literature covering centralized vs decentralized management and is not consistent with the consensus of the PWG in the body of the report. This disparity emphasizes the lack of standardization in the subject material in the literature in general. - PWG

(2) Murdick, R. G. and J. E. Ross, Information Systems for Modern Management, Englewood Cliffs, New Jersey, Prentice-Hall Inc., 1971, Page 133.

Caruth, D. L. and F. M. Rachel, Business Systems, San Francisco, CA, Canfield Press, 1972.

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APPENDIX H

ANNEX 2

EXCERPT:

US Army Management Training Activity (AMETA) Organization Planning,
course book for Defense Management Joint Course No. 7A-F8, Rock Island,
IL, 11 November 1977.

CENTRALIZATION-DECENTRALIZATION

Discussion of centralization and decentralization can take place in two contexts. One is the dispersion of physical facilities; the other is the degree of delegation of authority in the organization. Although centralization of physical facilities is likely to be accompanied by centralization of authority also, there is not necessarily a correlation of the two.

Our concern is with the second aspect, that of the centralization or decentralization of authority. Actually, the terms seem to indicate two theoretical extremes under which all the decisions are made at the top level of the organization or else are all made at the bench level. Neither extreme is too realistic (although some cases of extreme centralization may be found, particularly in small organizations); the issue is a matter of degree, of how much authority is to be delegated to subordinates and of how important and far-reaching are the decisions which can be made at lower levels.

This issue must be faced in every superior-subordinate relationship. The degree of authority for planning and decision-making which is delegated to the subordinate will be partly a personal matter between the man and his boss based upon their relationship and the confidence in the ability of the subordinate. But it will also be determined by the philosophy of the organization toward decentralization of authority.

Decentralization was a great topic for management discussion a few years ago and was a popular subject for magazine articles, books, management seminars, etc. It was highly recommended and the publicity sometimes gave the impression that a management revolution was under way. When the smoke cleared, however, it appeared that in many cases there had been more talk than action, and in others it was deemed unsuccessful and was abandoned.

It should be noted that the extent of decentralization of authority is related to the pattern of departmentation chosen as discussed in Section IV. The product, geographic and customer patterns lend themselves particularly well to the decentralization approach, and divisions set up in these patterns are often assigned their own staff elements to form a complete operating entity (see charts). Then, the division head, rather than the president of the company, makes the plans and decisions for operations of the division. There are controls, to be sure, but they are controls by more indirect means such as budgets, policies, and review of results rather than by the direct action of making day-to-day operating decisions. The division head is thus fully responsible for the performance of his division. In private industry, this is likely to mean responsibility for production, sales and profits, much as if the division were in fact a company.

A policy of decentralization fosters significant decision-making at lower levels of management, close to the scene of action. Some top managers are reluctant to practice this because, despite the obvious advantage of the man-on-the-spot, they fear loss of control and prestige and mistakes by subordinates. They also have an argument on cost: decentralization as described above results in duplication of activities; for example, with a purchasing department in each division rather than a single centralized purchasing department.

There are persuasive arguments for both centralization and decentralization of authority and some major points are summarized below.

ADVANTAGES OF CENTRALIZATION

1. Duplication of functions is minimized.
2. Uniformity and consistency of decisions and actions throughout the organization can be secured.
3. The scope and volume of work at the top level justify hiring highly qualified specialists.
4. Unusually talented personnel have the widest arena for their skills.

5. Less-skilled managers can fill lower level positions.
6. Power and prestige are provided the chief executives, serving also as motivation for lower managers.

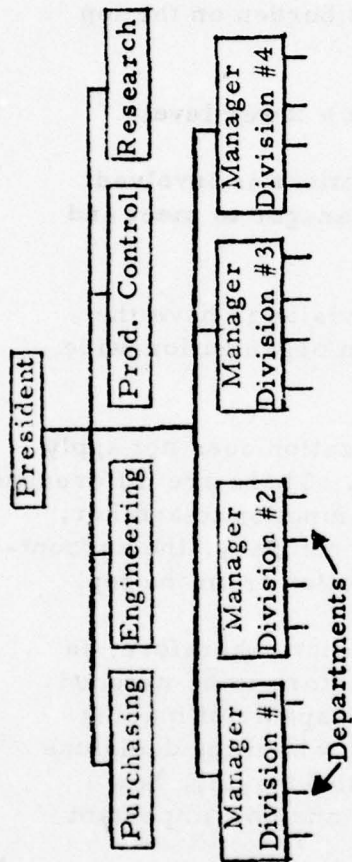
ADVANTAGES OF DECENTRALIZATION

1. Personnel assume wider responsibility at lower levels, developing from specialists into generalists and creating a supply of managers experienced in general administration.
2. The delegation of authority relieves the burden on the top managers.
3. Effective management teams develop at a lower level.
4. Where geographical dispersion of operations is involved, decentralization of authority allows the local manager to meet and take advantage of local conditions.
5. Innovations can be introduced in one division to have the problems resolved before instituting them on an organization-wide basis.

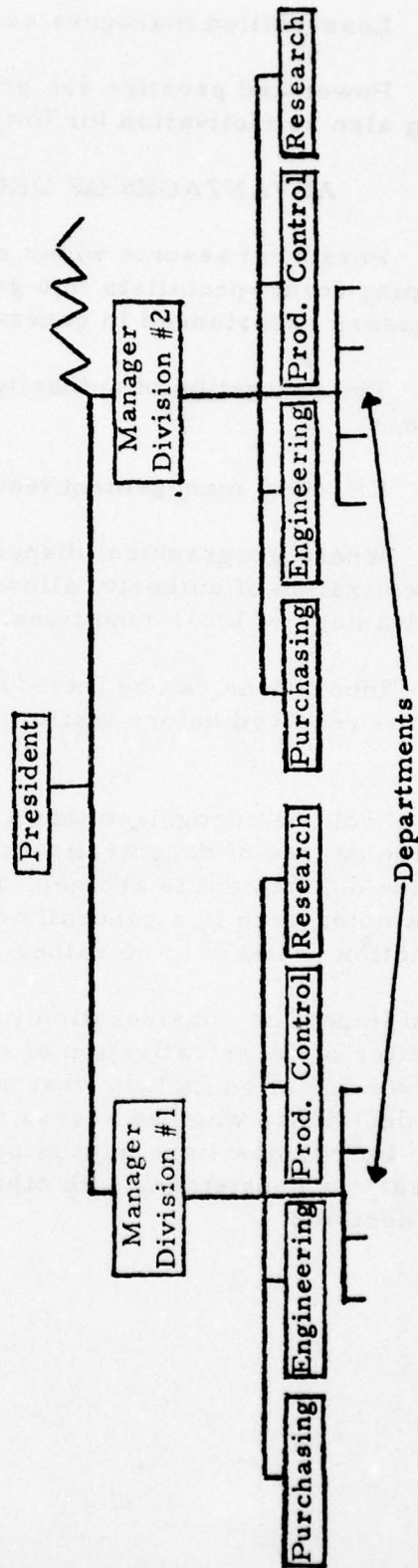
It should be recognized that a large organization does not apply the same degree of decentralization throughout. There are differences from one department to another, and from one function to another; for example, even in a generally decentralized company, the accounting function is likely to be rather closely controlled from the top.

An important consideration in any organization, therefore, is the matter of decentralization of authority. Factors to be weighed in a given situation include what personnel are capable of making sound decisions, who has access to the facts on which the decisions will be based, how important is speed of decision-making, how necessary is consistency with other activities, and how important is the decision.

CENTRALIZATION



DECENTRALIZATION



Decentralization of authority is often supported by decentralization of staff activities.

APPENDIX H

ANNEX 3

EXCERPT:

ARRCOM Study "Review Evaluation and Resolution of Delivered -
Unbilled System Deficiencies" DRSAR-IL dated May 1977.

4. FINDING

a. The present CCSS system is fully responsive for generation of billing action on all hardware (principal items, ammunition, secondary items, and repair parts) shipments, provided the system disciplines and prescribed procedures are followed.

b. The CCSS system cannot be fully responsive for hardware shipments if any of the following conditions (singularly or in combination) exist:

(1) A valid NSN/MCN is not established in the data base.

(2) PWD's and contracts are not being amended/modified to incorporate valid shipping instructions into the data base.

(3) Correction and re-entry of rejected shipment notifications are not being processed in a timely manner.

(4) Indiscriminate use of "G" override code on PWD's and shipment to customers from the AAP industrial accounts.

c. The provisions of ARRCOMR 708-1 do not define responsibilities/processes for acquiring NSN/MCN for both standard and nonstandard items.

d. The current HQ, ARRCOM cost and fiscal accounting systems are adequate for generation of billing actions applicable to services rendered based upon costs incurred.

e. The fragmentation of item management responsibility between five ARRCOM directorates contributes directly to the unbilled shipment problem.

f. The lack of a fully functional Customer Order Control Point (COCp) has contributed to the delay in problem identification associated with unbilled deliveries.

- g. There is no high level review of billing status and accomplishments.
- h. The current backlog of shipped and unbilled hardware orders can be processed and billing initiated through the present CCSS system.
- i. If the present practice of decentralized item management is continued, a training program is required in the use of CCSS supply and catalogue systems for directorates outside of Materiel Management performing this function.
- j. That there is a requirement for training and retraining of personnel involved in the CCSS.
- k. The CCSS contains thousands of records that are either pseudo or fictitious entries that are pre-CCSS or a result of actions taken during the conversion process.
- l. That a comprehensive control system is required to assure that all system rejects are controlled, corrected, and reentered to the system.
- m. If the recommendations of this study are approved and implemented, the current problems can be corrected and unbilled shipments can be drastically reduced through utilization of current systems and directives in effect as of the date of this report.

5. RECOMMENDATIONS:

- a. CCSS be the only authorized system for billing of hardware orders.* Exceptions for manual processing must be approved at directorate level.
- b. That ARRCOMR 708-1 be revised to specify the responsibilities/ processes for cataloging screening actions, both on-line (standard) provisioning and off-line (nonstandard) provisioning. That procedures be developed which will assure the most expeditious processing of assignment of an MCN.

*Some are using their own system. 5

c. DRSAR-CP develop a procedure to provide for identification of customer cost incurred in the current HQ, ARRCOM cost and fiscal accounting systems and initiation of billing based upon actual costs incurred for service orders; e.g., tech assistance, tech data, QAT's, and travel,

d. That all processing of customer orders not identified to an NSN/MCN be suppressed until an NSN/MCN is established for that item and that strict compliance be enforced to insure that all PWD/contract modifications are processed to reflect proper shipping documentation.

e. That use of "G" override codes and shipments from industrial accounts be discontinued and that current orders reflecting these conditions be cancelled and reissued.

f. It is recommended that all billing for services be accomplished through ARRCOM cost and fiscal accounting system.

g. That a task force be formed to accomplish a study relative to centralized or decentralized management and item management within the command and that the group be tasked to recommend adjustments to organization, mission, functions, and personnel in accordance with determinations and findings.

h. DRSAR-CP complete implementation of the COCP as prescribed by DARCOM and provide a complete control system which maintains visibility into all unbilled shipments.

i. DRSAR-CP Review and Analysis include management indicator charts depicting the status of actions and future trends in order that appropriate management action can be initiated.

j. That PD and PC effect the required actions to bill for items that have been shipped and not billed.

k. The current delivered-unbilled orders which do not have a valid NSN/MCN be billed via CCSS subsequent to the resolution of the "AD" rejects by the DRSAR-MM, AD Reject Task Group which was recently activated in an effort to expedite re-entry of rejected data. Upon implementation of control systems for processing of rejects and reduction in the number of items requiring AD Reject Task Group action, the responsibility should shift from the Task Group to the appropriate directorates.

l. DRSAR-CP coordinate with DRSAR-IL to identify service rendered unbilled orders, determine actual costs incurred, and initiate billing action.

m. This report be accepted as the study report of the Working Group and that the responsibility for the control and monitorship of this particular program in the future be vested in the Comptroller (DRSAR-CP).

n. A training program be developed in accordance with the conclusions in paragraph 4h. That the functional directorates conduct comprehensive training programs to cover those requirements set forth in Appendix 7 to Annex C. Further, that such training continue to be conducted on an "as required" basis to assure that personnel are fully cognizant of the CCSS applications as releases are effected.

o. That all pseudo or fictitious entries be withdrawn by manual processing and validated for re-entry. Further, that the process of making or entering pseudo or fictitious entries to the system cease.

p. That MM, PP, PD, PC, CP, QA, MS, and IL appoint members to a working group to prepare, coordinate, and disseminate a comprehensive control system for system rejects. This system to be finalized and implemented within 30 days of approval of this report.

q. The Board of Directors and the Working Group be reconvened 60 and 120 days after approval of the study to provide an independent evaluation to the Commander relative to progress on implementation of recommendations.

a. In order to examine the present system and deficiencies relative thereto, the flow chart set forth in Appendix 1, Annex C was developed. This information represents several weeks of research on the part of various members of the Working Group. The chart indicates those problem areas or actions which produced the unbilled situation which exists within the command at the present time. However, this charting action also indicates that if a sufficient systems discipline is exercised, CCSS as designed and implemented will process all except unique actions including billing.

b. Based upon research, review and analysis of the CCSS system, it was determined that there were seven basic causative factors which resulted in system deficiencies. These factors are set forth in Appendix 2 to Annex C and are now a matter of record. These are the basic actions which must be taken if the system is to perform as designed. Development of internal operating procedures in the various directorates will insure corrective action to eliminate these causative factors. The various directorates involved have been informed of these deficiencies in billing processing. Upon approval of the report, management indicators must be developed by separate directorates/offices to assure that these causative factors are given management visibility at the directorate/office level which will greatly reduce or eliminate them from the system. Further research into the causative factors is set forth in Appendix 2 to Annex C and provides the basic documentation to systems and disciplines that were researched. Appendix 2b to Annex C is a typical nonbilled case. This particular case was isolated in order to provide the Working Group with a case to follow from inception to completion in order to determine the problem areas that existed and

precluded the billing of the case. Researching this case resulted in the determination that the case could not be billed until the PWD was updated by amendment action and the contract was modified to provide basic information to reconcile the data base and to provide a billing action. The total value of this case was in excess of \$23.5 million. As a result of the research and investigation, the basic PWD has been amended and the command is in the process of modifying the contract and shipping information which will produce a billing for this case. As a result of the research and investigation, this particular case and other cases are in the process of being reconciled and billing action initiated. It is noteworthy that actions were generated or are in process as a result of corrective recommendations initiated on the part of the Working Group. Although this progress is significant, there still remains a major portion of the delivered-unbilling problems which must be resolved.

c. One of the major problems encountered by the Working Group was the distribution of item managers within various directorate offices of the command. This was one of the major problems in attempting to isolate causative factors for the lack of billing actions within the command. An additional problem area directly related is the fact that although several of the different directorates are involved in materiel management and item manager functions, they are not fulfilling all of the functions for item management. Therefore, there is a breakdown within the system as a result of this diversification of management activities. The research and actions of the Working Group regarding this problem are set forth in Appendix 3 to Annex C. In an effort to determine the functional

responsibility of various directorates/offices relative to materiel management or item management, a thorough research of ARRCOM Regulation 10-1, January 1977, was conducted. Sections of ARRCOM Regulation 10-1 have been included to support and indicate the degree of involvement in materiel management within the various directorates. These are set forth in Appendix 3a through 3d in Annex C. It is important to note that the actual term "item manager" is nonexistent in any of the directorates; however, the functions of item management are covered in the appropriate portions of ARRCOM Regulation 10-1. The only exception to this is in the Maintenance Directorate where materiel and item management exists for Ammunition Peculiar Equipment (APE).

d. Examination of the current CCSS Reject System revealed that there are three or more different systems in effect for management of system rejects. The research is documented in Appendix 4 to Annex C (Management System for CCSS Rejects). In addition to the different management controls in effect for rejects, it was noted that there are few, if any, internal operating procedures for the control of rejects. A system is required to control rejects from the point of receipt to rework and re-entry to assure that all rejects from the system are processed. There are holes in the current data base wherein there are missing or invalid country managers and analyst codes. Therefore, it is virtually impossible to trace the reject to a pinpoint location for the necessary actions to correct data and accomplish re-entry. There is an "AD Reject Task Force in operation within the Materiel Management Directorate to purify the

NSN/MCN's established at time of conversion in the CCSS data base and assure "AD" rejects are corrected and re-entered for subsequent processing within CCSS.

e. During the review of the flow of a customer order through this command, it was noted that the procedure is breaking down immediately upon receipt of customer requirements due to a lack of understanding as to how to process nonstandard items through the system. The assignment of management responsibility for items not assigned a stock number is not clearly understood. This problem occurs frequently for arsenal support items, ammunition components, Ammunition Peculiar Equipment, and other types of items that are identified in the research set forth in Appendix 5 to Annex C. If any directorate involved in item management does not perform all functions of item management, the data base will be incomplete and processing cannot be accomplished. (Refer to Appendix 5, Annex D.)

f. A complete control system for reimbursable orders with the authority vested in a single directorate is required. The research by the Working Group coupled with the DARCOM direction is fully addressed in Appendix 6 to Annex C. HQ, DARCOM, has issued instructions tasking the Comptroller with the responsibility for the monitorship and control of reimbursable orders from receipt through final billing and closing.

g. As a result of an extensive review, coupled with interviews of personnel involved in operating the CCSS System, it was evident that there was a need for retraining and/or training program within the command. The research for this is set forth in Appendix 7 to Annex C. The primary

problem encountered is related to the processing of nonstandard items. A series of questions were developed in order to determine the adequacy of the training of personnel currently operating within the confines of CCSS. These questions are set forth in Appendix 7, Annex C. Questions were general in nature and applicable to any directorate regardless of the degree of involvement--either materiel or item management. Another problem generated regarding training was the rate of turnover in personnel within the various activities processing data into the system. Since CCSS was implemented, key personnel have been lost through promotion, transfer or resignation and are no longer directly involved in the system.

h. During research and reviews of the CCSS System, the procedures relative to the utilization of a "G" override were reviewed at length. (A "G" override is a code that when entered on a PWD inhibits or prohibits interface with the NSNMDR, thus precluding any computer generated customer billing action.) Specific comments and observations are set forth in Appendix 8 to Annex C.

i. An extensive effort was expended to determine the magnitude of pseudo data and incorrect data in the data base within the CCSS files. The research indicated that the primary utilization of pseudo data and pseudo documentation began in the fall of 1974 and has continued to date as a method to bypass the proper systems applications of CCSS. Primarily, the main utilization of pseudo numbers or pseudo documentation is set forth in Appendix 9 to Annex C. (Pseudo or unauthorized entries cannot be processed within the current confines of the system and in order to

effect corrective action, this data must be pulled out of the data base and re-entered properly or completely processed by manual off-line procedures.) An example of the magnitude of the problem is illustrated by the fact that at the time of CCSS conversion, there were 10,000 MCN's assigned that for the most part were still in the system. The "AD" Task Force is currently working on this problem. There is no way in which that group can estimate as to when the problem will be eliminated since it depends to a great deal on the number of other rejects that are generated for current programs.

j. The current system for providing Concurrent Spare Parts (CSP's) was examined. This review revealed that the MILSTRIP requisitions for CSP items were producing a high rate of rejects. The rejects were produced because this command has never received a marked up CSP list to change the data base prior to the receipt of MILSTRIP requisitions. After this was discovered, a letter was sent by the IL Directorate to USAILCOM, New Cumberland Army Depot on 14 April 1977 requesting that all marked-up CSP lists returned by the various customers be provided to this command in order for data base update prior to the receipt of MILSTRIP requisitions. This will decrease the number of rejects (Code 5Q) and also subsequently reduce the manual intervention required to clear rejects and allow supply and billing actions. The basic data for the research on Concurrent Spare Parts is set forth in Appendix 10 to Annex C and Appendix 10a to Annex C.

k. Data relative to the billing of services provided is set forth in Appendix 11 to Annex C. There are many different methods in use within the command today for the billing of services. Some item managers within the IL Directorate establish a single line item for services, obtain an MCN, by using the NSNMDR initial data transcript sheet DRSAR Form 19 procedure. However, in order to meet the mandatory data element requirements; pseudo or fictitious entries are made in order to process. The utilization of an NSN or MCN to provide basic data for billing of services provided is not considered to be a valid application within the confines of the system. The current method of funding and billing services is considered to be fully adequate. The billing activity for services is primarily a responsibility of the Comptroller Office. Processing and billing is accomplished through the utilization of the current HQ, ARRCOM cost and fiscal accounting system.

STUDY PLAN

TITLE: Resolution of Delivered-Unbilled System Deficiencies

1. REFERENCES:

- a. Charter, HQ, USARRCOM, 25 February 1977.
- b. Revised Charter, HQ, USARRCOM, 8 March 1977.

2. PURPOSE: To provide definitive instructions to assure that all deliveries are billed within a reasonable amount of time.

3. STUDY SPONSOR: CG, USARRCOM.

Study Sponsor Representatives: COL Frederick W. Fox (Chairman, Board of Directors)

COL K. A. Lantzky	MM
COL R. W. Allen	PC
COL J. N. Payne	MA
COL B. W. Rife	CP
COL E. R. Belcher	PD
Mrs. I. Hansen	PP
Mr. R. J. Surkein	TM
Mr. D. J. McCune	MS

4. STUDY ACTIVITY (WORKING GROUP): Dr. R. A. Peltier, Chairman
Mr. Edward H. Schaefer
Mr. Emery E. Sedlock
Mr. Thomas H. Pierse
Mr. Charles G. Lockhart
Mr. Kenneth J. Cater
Mr. Maurice C. Cummings
Mr. Keith A. Avey
Mr. H. Douglas Bedinger

5. TERMS OF REFERENCE: The amount of delivered-unbilled actions has grown from approximately \$70 million in November 1976 to over \$150 million in March 1977. Adequate base data are not readily available to identify the problems related to billing actions required. Review and evaluation of the problem cannot be made from existing system reports, information or data. This situation leaves management void in the identification of trends, analysis, and performance.

Appendix 4 to Annex A (Study Plan)

PRESENT CCSS SYSTEM AND DEFICIENCIES

1. A full research of the current CCSS System was initiated to determine whether or not the current system with implementations was fully capable of producing billings for shipments and if there was a breakdown in the system, where that breakdown existed; and further, to determine whether or not the system was being properly managed.
2. As a result of extensive research, the system was displayed as shown in Appendix 1a. As a result of the evaluation of the work flow, it was determined that the current system was fully capable and met all of the requirements to produce a bill to the customer provided that the system was utilized as designed and that no manual override, bridges, or offline processing was accomplished.
3. Actions that would preclude a bill to the customer were clearly identified and placed into two categories:
 - a. The breakdown in management of the system.
 - b. A lack of proper documentation and effective action on the part of personnel working within the system.

The deficiencies causing system breakdown or result in lack of billing to the customer is clearly set forth in the center column of Appendix 1a.

4. Having determined that the system as designed is fully capable providing that appropriate actions are taken as required and isolating all factors resulting in deficiency, has provided a base for findings

Appendix 1 to Annex C (Present CCSS System and Deficiencies)

and recommendations which should result in an effective system that will produce billing to the customer upon receipt of shipping performance notices within this command.

9 March 1977

MEMORANDUM FOR RECORD

SUBJECT: Billing Problems

The following areas are causing the billing problems. If any of this data are missing, are not input properly, or not in sequence, the systems cannot produce the billing documents.

- a. All customer orders must reflect the applicable NSN of the item ordered or a complete technical description sufficient to support procurement actions. A technical description which can be used to initiate procurement is also sufficient for assignment of an NSN (MCN).
- b. Customer MILSTRIP Document Number (shipping instructions) must be recorded in the MRHS. The NSN/MCN must be established in the NSNMDR (AD Rejects).
- c. Item manager/production manager must issue a PWD or PWD amendment which reflects the customer MILSTRIP Document Number as shipping instructions.
- d. PCO must incorporate the shipping instructions into the contract prior to shipment.
- e. MILSCAP/MINI-WORCS shipment notification rejects must be corrected and reinput.
- f. Stock Control D4/D7 rejects must be corrected and reinput by the item managers.
- g. Completion of Nonstandard Bill Price (DIC YMD) by DRSAR-CP.

DISTRIBUTION OF ITEM MANAGERS WITHIN THE COMMAND

1. Indications of diversification of item managers and management functions were found in related research activities. The need for a determination relative to this problem produced actions which resulted in the following facts:

a. The Directorate for Materiel Management is responsible for centralized direction of integrated materiel and financial inventory management activities for assigned major and secondary items. (ARRCOMR 10-1, para 30-1, Appendix 3a)

b. The Directorate for International Logistics is responsible for directing procurement and supply of raw materials, tools, and ammunition manufacturing equipment for foreign government arsenal ammunition support projects. (ARRCOMR 10-1, para 31-9s, Appendix 3b)

c. The Production Directorate is responsible for determination of total requirements for propellants, explosives, and management of inventories and total productions which in effect is item management. (ARRCOMR 10-1, para 28-15d, e, i, w, and aa, Appendix 3c)

d. The Product Assurance Directorate is responsible for management of the inventory of industrial stocks used specifically for production and past production acceptance testing purposes. (ARRCOMR 10-1, para 29-1, 29b(12), Appendix 3d)

e. The Maintenance Directorate is responsible for management of ammunition peculiar equipment (APE) (ARRCOMR 10-1, para 32-1, 32-41, 32-45aa, and 32-46a and k, Appendix 3e, Annex c).

Appendix 3 to Annex C (Distribution of Item Managers Within the Command)

2. Although the references in Appendix 3a through e above do not specifically state the terms "item management" or "item manager", the responsibility for item management is inherent in each directorate set forth in para 1a through e above.
3. The concept of centralized management in the Directorate for Materiel Management has been implemented in name only and not in fact.
4. It is concluded that there is a wide diversification of item management responsibilities within the command which is contrary to the basic concept of centralized management.

ASSIGNMENT OF ITEM MANAGEMENT RESPONSIBILITY

1. During a review of the flow of a customer order through this Command, it was noted that the system is breaking down immediately upon receipt due to a lack of clear understanding of how to process; i.e., assigning management responsibility, for items not assigned a stock number. This occurs frequently for arsenal support, ammunition components, APE, and others identified only through part number or manufacturers' numbers.
2. It is imperative that each item without an NSN be assigned to a directorate for management responsibility. In this regard, it was noted that presently five directorates are exercising varying degrees of "item management." Examples of these are DRSAR-PD for ammunition components and direct cite customer items, DRSAR-MA, for APE items, DRSAR-QA for gages, DRSAR-IL for arsenal support, and DRSAR-MM for all items that can be identified to an ammunition end round or weapon system.
3. With the exception of those items managed by DRSAR-MM, for which the NSN/MCN has been established, none of the directorates are performing the necessary item management functions to insure that the order is properly recorded in CCSS files.
4. If a directorate is to be the item manager, the following responsibility must be assumed and fully accomplished:
 - a. Receiving, determining and providing price and availability for assigned items in response to all customer inquiries or interrogations.

Appendix 5 to Annex C (Assignment of Item Management Responsibility)

b. Initiating request to DRSAR-MA for DLSC screening on all customer price and availability requests when an NSN or MCN record is not reflected in the NSNMDR as evidence by an NSNMDR inquiry.

c. Completing applicable portions of the NSNMDR Initial Data Transcript Sheet, DRSAR Form 19, with attached DLSC screening results received from DRSAR-MA via DRSAR-MM, Cataloging, for continued processing and loading to the NSNMDR, thereby establishing item management responsibility for the entire life cycle of the materiel.

d. Accepting and classifying all customer orders.

e. Processing on a continuing basis, CCSS cataloging, stock control, supply management, procurement direction, and supply decision documents.

f. Preparing centralized inventory management reports as applicable.

5. As the CCSS is completely dependent on the item manager for establishment and maintenance of the basic header data (primarily the NSN/MCN), it is imperative upon any directorate performing item management to dedicate the necessary manpower resources to the above functions. indication of the lack of management in the establishment of NSN's and MCN's prior to processing the customer requisition, there is currently in excess of 2,000 AD rejects being reviewed by a special task group within the Materiel Management Directorate. (An AD reject reflects those items for which proper NSN's or MCN's have not been established and therefore the requisition and subsequent billing action cannot be channeled through the CCSS system until this data is initiated and input by the item manager.)

6. Based on the above, it has been determined that either full item management must be executed by these directorates, or item management responsibility be transferred to DRSAR-MM.

CUSTOMER CONTROL POINT FUNCTION AND RESPONSIBILITY

1. Research was made to determine the feasibility of having an overall control system in one directorate that would have the capability to monitor the system, identify problem areas, and refer these problems to the responsible directorate/individual for correction.
2. We found that the Customer Order Control Point (COCP) located in DRSAR-CP has the function of controlling PEMA reimbursable customer orders and the responsibility of establishing time limits and invoking follow-up procedures on the following 10 events as directed by letter, AMCCP-FA, HQ, AMC, 3 July 1975, subject: Minimum Requirements for the PEMA Customer Order Control Point (COCP):
 - a. Receipt of order
 - b. Classification of order
 - c. PRON assignment
 - d. Funds application
 - e. PWD assignment
 - f. Award
 - g. MRO
 - h. Billing
 - i. Collection
 - j. Order closing
3. The COCP file is partially completed and has the capability of tracking events a through f above; however, events g through j which cover the billing function are still to be implemented.

Appendix 6 to Annex C (Customer Order Control Point Function and Responsibility)

4. It is recognized that the COCP would have to be expanded to include ASF orders to satisfy a comprehensive control system as envisioned by this committee.

TRAINING PROGRAM REQUIREMENTS

1. In an effort to determine the adequacy of the training programs for personnel involved in the CCSS system, members of the Working Group conducted interviews with several different item managers within the various directorates.

2. During the course of the interview, the following questions were pursued:

- a. What action do you take to determine whether or not a valid NSN/MCN is already in the file for a specific item?
- b. If the screening process indicates that there is no NSN/MCN in the file, what action do you take or initiate to obtain a valid MCN?
- c. What forms are utilized to process an NSN/MCN into the data base?
- d. To whom do you go to obtain an MCN in the event that one is required?
- e. What purpose does the analyst code serve within the current system?
- f. What action do you take or initiate to provide a valid shipping address into the system?
- g. How is a PWD PRON or contract modified and what purpose would it serve?
- h. What would be the purpose of an "AD" reject within the system?
- i. What would happen to the system if an SPN reject occurred?
- j. Is there currently in existence a system for complete follow-up to assure that all rejects are worked and re-entered into the data base?

Appendix 7 to Annex C (Training Program Requirements)

3. By pursuing the questions set forth from a through j above, it was determined that in most instances personnel did not know and had not been trained in what actions were required in response to the various questions above. Many of the problems resulting in lack of billing for delivered items are generated by item managers and managers within the various directorates that are not accomplishing the full responsibilities of an item manager. They are not cognizant of the actions that are required to establish, maintain, and correct the data base utilized for the CCSS.
4. It was concluded that there is a definite need for a continuing training program.

"G" OVERRIDE APPLICATION AND PROCESSES

1. DEFINITION. The "G" override is a code entered on the PWD which inhibits interface with the NSNMDR, thus precluding any computer generated customer billing actions.

2. AUTHORIZED USE.

a. This code is authorized for use on PWD's with a direct citation of customer funds received from other MSC's, military departments, FMS, etc., where the customer will pay the bill and this headquarters will not be involved in the financial accounting.

b. Currently, many ammunition components used in the make-up of an end round are not loaded to the NSNMDR; therefore, use of the "G" override is being allowed on PWD's for these items. However, it should be noted that if one of these components is ordered as an end product, it must have an NSN/MCN assigned and be loaded to the NSNMDR so that the interface of the PWD data with the NSNMDR can be accomplished.

3. UNAUTHORIZED USE. The primary utilization of the "G" override is confined to the PD Directorate. The "G" override is not authorized for use on PWD's for end products/components ordered as end products. The continued use of the override will only serve to perpetuate the problems already in the system that produce a deleterious affect on the production of billing actions.

Appendix 8 to Annex C ("G" Override Application and Processes)

PSEUDO DATA IN CCSS FILES

1. Prior to CCSS implementation, MM Directorate was to maintain "manual files" on nonstandard items including arsenal support type materiel. The demands were recorded in the history file but by the use of specified "override" codes, posting could be forced to the MRHS and bypass certain validation edits, such as the NSN. Accounts Receivable were established by a manual/EAM system and the Comptroller accepted this for billing purposes. In the fall of 1974, it was very apparent that this system because of stringent edit/validation could not exist under CCSS both in the history file for conversion purposes and for new demands that would be received under CCSS.

2. There were thousands of records that required conversion to the MRHS files. The ALPHA Implementation Group (AIG) identified the IL demands in open MRHS that required action before conversion in order to load Sector 09, NSNMDR. History conversion programs could not generate transactions that would post to other files/sectors for those records which did not contain a valid NSN/MCN, nor could the MRHS be updated with new transactions because of the edit/validation of the NSN field. With the assistance of catalog personnel, Selection Work Sheets were prepared to obtain approximately 300 Management Control Numbers (MCN's). Although this venture resulted in the assignment of MCN's into the NSNMDR, personnel were not fully cognizant of the interfaces existing within the various CCSS applications and this resulted in erroneous data being entered into other files and output production. Also, supply control studies were generated

Appendix 9 to Annex C (Pseudo Data in CCSS Files)

for which there were no valid item managers. These studies in turn were passed to IL "item managers" who could not decipher the product. As a result, many of the pseudo-MCN's had to be cancelled to avoid continued confusion both to item managers and CCSS files.

3. All data entered that bypassed edit and validation cannot be changed, updated, deleted or managed by the CCSS system. These data must be removed from the data base by manual effort and reinput in accordance with current procedures to provide valid data for processing.
4. Pseudo or unauthorized entries must not be made. All processing must be effected through normal input and subject to edit and validation provided.

NATIONAL STOCK MASTER DATA RECORD INITIAL DATA INPUT

1. Research and inquiry into the methodology of obtaining an MCN produced several problem areas. Personnel interviewed within the IL Directorate indicated that there were no specific written procedures for obtaining an MCN. They were referred to ARRCOMR 708-1, Paragraph 4a which states, in fact, that it is the responsibility of the Director of Maintenance to initiate NSNMDR data transcript sheets (DRSAR Form 19) assuring that all mandatory entries are made. The regulation is neither emphatic nor does it allude to any differences in standard or nonstandard items. Attempts to have Maintenance initiate a DRSAR Form 19 resulted in no action whatsoever and in order to expedite cases on hand, the DRSAR Form 19 was initiated by managers within the IL Directorate.
2. The problem areas encountered in addition to paragraph 1 above are:
 - a. There is a failure on the part of the Director of Maintenance to initiate proper action for obtaining a valid MCN.
 - b. Confusion exists within item managers for nonstandard items as to the proper steps that will be taken to initiate the action for obtaining an MCN.
 - c. The total lack of procedures and or policy implementing ARRCOMR 708-1 seem to further add to the confusion.
 - d. The Director of Maintenance has assumed the position that his responsibility under ARRCOM 708-1, in fact, is related only to standard items; however, nowhere in ARRCOMR 708-1 does such a restriction exist.

Appendix 13 to Annex C (National Stock Master Data Record Initial Data Input)

3. As a result of the research and rather extensive investigation into the matter of obtaining valid MCN's, the current processes relative to standard items only seem to be under control and are not a matter of contention. However, for all nonstandard items to include arsenal support activities, industrial support stocks for foreign governments, and similar nonstandard items; there is a definite need for specific guidance and instructions.

ARSENAL SUPPORT

NON-STANDARD ITEMS

DIRECT DELIVERY

MIPR's

1. Regardless of the type of order, all are procured by DRSAR-PC, an ARRCOM installation or other activity as specified in the certified Procurement Work Directive (PWD) prepared by responsible ARRCOM elements through the CCSS system. In order for automatic billing to function, both NSN/MCN must be recorded in the NSNMDR and complete definitized shipping instructions specified on the PWD. On new orders, the item manager (DRSAR-IL, DRSAR-MM, DRSAR-MA, DRSAR-PD, DRSAR-QA) is responsible for commencing action to obtain the NSN/MCN's required for PWD preparation. On items needing an NSN/MCN, the item manager will initiate a request to DRSAR-MA for DLSC screening and initiation of the NSNMDR Initial Data Transcript Sheet (DRSAR Form 19). The item manager is also responsible for obtaining and providing the procuring contracting officer (PCO) via PWD amendment definitized shipping instructions at the earliest practicable date but NLT than 60 days prior to production acceptance of the item. The PCO is responsible for providing shipping instructions to the contractor and modification of the contract.

2. It is not possible to attain automated customer billing for orders which are shipped from the industrial account or when a contract is closed in MILSCAP. As a one time action on these orders, DRSAR-CP will be provided shipment information and create customer billing for those items which do not have an NSN/MCN in the NSNMDR. For orders having a NSN/MCN in the NSNMDR, shipment information will be provided to

Appendix 2 to Annex D (Arsenal Support and Nonstandard Items, Direct Deliveries, Industrial Accounts, and MIPR's)

DRSAR-MM for preparation and input of CCSS wash transactions, thereby resulting in generation of a CCSS customer billing.

3. Items in production (not shipped) without NSN/MCN's or definitized shipping instructions with production acceptance scheduled within the subsequent 60-day period can be identified by a computer run. The item manager (analyst code) must advise DRSAR-MA of the items without an NSN/MCN requesting DLSC screening and initiation of NSN/MCN acquisition. The item manager (analyst code) obtains definitized shipping instructions from customer relation office (DRSAR-MM) or DRSAR-IL. When these data are available, the PWD must be cancelled and reissued providing the proper NSN/MCN and shipping instructions to the PCO. Upon receipt of the cancelled PWD and reissued PWD, the PCO must modify the contract accordingly.

AD-A060 309

ARMY ARMAMENT MATERIEL READINESS COMMAND ROCK ISLAND IL
TASK FORCE STUDY ON CENTRALIZED VERSUS DECENTRALIZED ITEM MANAG--ETC(U)
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HEADQUARTERS, U.S. ARMY MATERIAL COMMAND
5001 EISENHOWER AVE., ALEXANDRIA, VA. 22304 22333

D

AMCCP-FA

3 JUL 1975

SUBJECT: Minimum Requirements for the PEMA Customer Order Control Point (COCF)

SEE DISTRIBUTION

By letter dated 10 March 1975 the Deputy Commanding General, AMC, directed the establishment of a COCF as a part of the Comptroller's functions. The minimum requirements for an operational COCF are contained in the attached inclosure. Each Command must establish local procedures to insure that all customer reimbursable orders are forwarded to the COCF immediately upon receipt.

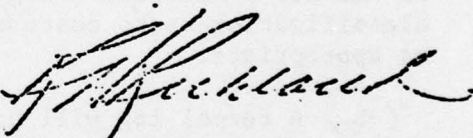
FOR THE COMMANDER:

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DISTRIBUTION:

CDR MICOM, Redstone Arsenal, AL
CDR TECOM, Aberdeen Proving Ground, MD
CDR ECOM, Ft. Monmouth, NJ
CDR AVSCOM, St. Louis, MO
CDR ARNCOM, Rock Island, IL
CDR TACOM, Warren, MI
CDR TROSCOM, St. Louis, MO

ATTN: COMPTROLLER


R. R. YEHLIAND
Deputy Comptroller

Customer Order Control Point

1. General

a. The principal function of the COCP is to control reimbursable customer orders rather than dollar amounts. Values will be accounted for and reported by those elements having responsibility for program execution. Reimbursable customer orders will be recorded by the COCP immediately upon receipt at the command.

b. The following procedures establish the minimum responsibilities and controls that will be acceptable in meeting the directed action of the DCG as it applies to the procurement appropriations.

c. In addition to prescribed reconciliations, the orders recorded in the COCP's log must be reconcilable to the appropriate Status of Reimbursement report on a monthly basis. It is recognized that they will not balance because of adjustments but the differences must be reconcilable.

d. All orders must have the applicable program and funds applied and be recorded in the year in which the orders were received.

2. FMS Orders

a. FMS Cases (DD Forms 1513) are accepted orders when received at the MSC's and one of the COCP's responsibilities is to send a copy of the order to the MSC's materiel managers for identification as to appropriations, for classification as to customer order type (AM, RP, RS, CP, DC), and for action as appropriate.

b. A formal log will be maintained which shows, as a minimum, order number, the dollar amount, and dates of the following events:

- (1) Receipt of order
- (2) Classification of order
- (3) PRON Assignment
- (4) Funds Application
- (5) PWD Assignment
- (6) AWARD
- (7) MRO
- (8) Billing

(9) Collection

(10) Order Closure

c. To facilitate follow-up actions, the PRON and PWD numbers will be reflected in addition to the dates in 2b(3) and 2b(5) above.

d. Time limits will be established for each of the events identified in paragraph 2b above and strict follow-up procedures will be invoked.

e. The above requirements apply to major items. The criteria for secondary items is the same except that orders received are based upon receipt of requisitions.

3. MAP Orders

a. Orders received applicable to MAP orders will be recorded based upon requisitions received.

b. The log to be maintained will be the same as outlined in paragraphs 2b and 2c above.

4. Other Hard Copy Customer Orders

a. Orders received in the form of MIPR's, Project Orders, Service Orders, etc., will be recorded in the COCP log upon receipt.

b. In addition to the events to be documented in accordance with paragraphs 2b and 2c above, the date of notification of acceptance will be entered in the log.

5. Requisitions

a. All MILSTRIP reimbursable requisitions will be listed upon receipt at the command and the listing furnished to the COCP.

b. Requisitions for PEMA secondary items will be classified as RS and program and funds will be applied to the full amount of the requisitions. Requisitions for PEMA major items will be referred to the proper element for classification, assignment of PRON and, if classified other than for AM or DC, application of program and funds.

c. Care must be exercised to insure that requisitions for defined lines in FMS cases are excluded from the above processing since these orders should be recorded in accordance with paragraph 2a above.

d. There can be no Supply action taken to fill the customer PEMA item requisitions until they have been classified, program and funds applied and recorded in the fiscal records.

ITEM MANAGER RESPONSIBILITIES

1. Receiving, determining and providing price and availability for assigned items in response to all customer inquiries or interrogations.
2. Initiating request to DRSAR-MA for DLSC screening on all customer price and availability requests when a NSN or MCN record is not reflected in the NSNMDR as evidenced by a NSNMDR inquiry.
3. Completing applicable portions of the NSNMDR Initial Data Transcript Sheet, DRSAR Form 19, with attached DLSC screening results received from DRSAR-MA via DRSAR-MM, Cataloging. Return completed DRSAR-Form 19 and Screening results to DRSAR-MM, Cataloging, for continued processing and loading to the NSNMDR, thereby establishing item management responsibility for the entire life cycle of the materiel.
4. Accepting and classifying all customer orders.
5. Processing on a continuing basis, CCSS cataloging, stock control, supply management, and initial requirement rejects and supply decision documents.
6. Preparing centralized inventory management reports as applicable.

CONTROL SYSTEM

1. Reference is made to the finding set forth in Annex E, Paragraph 6 and Annex C, Appendix 6, addressing the deficiencies existing in the current control/reporting system. Lack of a totally implemented Customer Order Control Point (COCP) has contributed to the delay in identifying and correcting problems associated with unbilled deliveries. In order to preclude a recurrence of these problems, a control/reporting system must be developed which will provide visibility to management on the status of Customer Order billing.
2. Letter from HQ, AMC, 3 July 1975, subject: Minimum Requirements for the PEMA Customer Order Control Point (COCP) (Appendix 4 to Annex D) requires the Comptroller to establish time limits for each of ten events and also to establish follow-up procedures to assure that the time limits are met: receipt of order, classification of order, 1006 PRON assignment, funds application, PWD assignment, award, MRO, billing, collection and order closure. At the present time, only the actions through "award" have been implemented. Full implementation of all elements will cover the objectives. However, in addition, the COCP function must be expanded to include controls over Army Stock Fund (ASF) orders as well as FMS orders, MAP orders, MIPR's, project orders, service orders, and requisitions. These controls must effectively monitor the accomplishment of billing for orders established in accordance with current CCSS policies.

Appendix 6 to Annex D (Control System) 159

3. The key to control of billing actions is high visibility into the causes that preclude billing actions. This visibility is required at the directorate and command levels. The command level visibility will be accomplished through the Comptroller's regularly scheduled Review and Analysis program. In view of the fact that approximately 90 percent of "no bill" actions are generated by AD rejects, shipment rejects, and "G" override rejects, three charts are formatted for utilization in plotting experience in these three areas. These charts are covered in the following pages. The greater the control and efficiency of management action, the greater the reduction in rejects from the system. A straight line of command acceptable rejects was not indicated on the charts since the command goal is to eliminate rejects in the three main areas together.

4. The directorates will develop additional charts for internal reviews to provide back-up information to identify problem areas and individuals. For example, AD rejects can be identified to branch, section, and manager or individual. This visibility will provide the basis for intensive management, training or supervision. Similar data can be produced for shipment rejects and "G" overrides.

5. The Comptroller is responsible for the preparation and analysis of the charts on the following pages. Recognizing the fact that the system is not devised for absolute perfection, the command's goals are established as follows:

a. AD Rejects. Internal generated rejects are to be held to a maximum of two percent of the actions. Externally generated AD rejects are a result of other customers. When these exceed two percent of the input, official notification to the appropriate command will be generated.

b. SPN Rejects. SPN rejects are to be held to a five percent level compared to actions processed. This command established level will provide as basis for corrective actions within the command and generate a requirement for appropriate correspondence to sources outside of the command.

c. "G" Override. "G" overrides will be reduced to "0" and therefore the command objective is zero. There will be instances when the "G" override can be appropriately used in accordance with regulation. However, if care is exercised, rejects are not likely to occur as discussed in Appendix 8 to Annex C.

ANNEX E

FINDINGS

1. It was concluded that the current Commodity Command Standard System (CCSS) in effect at this command is adequate to perform the necessary billing functions for issues from field service stock. It is also adequate to accomplish billing actions against items obtained from procurement (direct delivery) when proper documentation; i.e., NSN/MCN, PWD shipping instruction, and contracts are processed and entered in the computer records in a timely manner.
2. That the preponderance of the unbilled-delivered item presently on hand is the result of direct delivery being accomplished and an NSN/MCN not recorded in the NSNMDR, PWD not being amended to reflect shipping instruction. In order to provide instructions for securing and recording an NSN/MCN in the NSNMDR, there is a definite need for a single system and procedure implementing ARRCOMR 708-1.
3. It was further concluded that many items with valid NSN/MCN are not processing through the CCSS billing process due to indiscriminate override of the system to effect billings on shipments from industrial accounts.
4. The provisions of ARRCOMR 708-1 do not define responsibilities/processes for acquiring NSN/MCN for both standard and nonstandard items.
5. That the current HQ, ARRCOM cost and fiscal accounting systems are adequate for billing of services rendered based upon costs incurred.
6. The fragmentation of item management responsibility between five ARRCOM directorates contributes directly to the unbilled shipment problem.

7. Lack of a totally implemented Customer Order Control Point (COCP) has contributed to the delay in identifying and correcting problems associated with unbilled deliveries.
8. There is a requirement to establish high level review of billing status and accomplishment.
9. That the current shipped unbilled orders having an NSN/MCN in the NSNMDR can be processed and billing generated through CCSS automated billing procedures. On those orders recorded as shipped in the CCSS procurement file (MAD,MMF) DRSAR-MM has the capability to generate the required CCSS input. For those orders recorded as unshipped in the procurement file, DRSAR-PD and DRSAR-PC have the capability to generate the CCSS input via PWD amendment, contract modification, and shipment notification. Unbilled orders which do not have an NSN/MCN in the NSNMDR can be processed and billing generated through CCSS automated billing procedures subsequent to resolution of the "AD" reject by the DRSAR-MM AD Reject Task Group.
10. That if the findings and recommendations of this study are approved and direction to the various directorates provided, the current problems can be corrected and delivered-unbilled orders reduced drastically by utilization of current systems and directives in effect as of the date of this report.
11. That there is a requirement for training and retraining of personnel involved in the CCSS.

12. The CCSS contains thousands of records that are either pseudo or fictitious entries that are pre-CCSS or a result of actions taken during the conversion process.

13. That a comprehensive control system is required to assure that all system rejects are controlled, corrected, and reentered to the system.

ANNEX F
RECOMMENDATIONS

This annex provides and sets forth the recommendations of the Working Group as approved by the Board of Directors.

a. It is recommended that all billing for hardware be accomplished through normal CCSS processing. Exceptions to this recommendation must have prior approval and be accomplished in accordance with controls established by DRSAR-CP to insure that subsequent processing of all required CCSS transactions are accomplished.

b. That ARRCOMR 708-1 be revised to specify the responsibilities/ processes for cataloging screening actions, both on-line (standard) provisioning and off-line (nonstandard) provisioning. That procedures be developed which will assure the most expeditious processing of assignment of an MCN.

c. That DRSAR-CP develop a procedure to provide for identification of customer service order costs incurred in the HQ, ARRCOM cost and fiscal accounting systems and initiation of billing based on actual cost incurred for service orders; e.g., tech assistance, tech data, QAT's, and travel.

d. That all processing of customer orders not identified to an NSN/MCN be suppressed until an NSN/MCN is established for that item and that strict compliance be enforced to insure that all PWD/contract modifications are processed to reflect proper shipping documentation.

e. That use of "G" override codes and shipments from industrial accounts be discontinued and that current orders reflecting these conditions be cancelled and reissued.

f. It is recommended that all billing for services be accomplished through ARRCOM cost and fiscal accounting system.

g. That a task force be formed to accomplish a study relative to centralized or decentralized management and item management within the command and that the group be tasked to recommend adjustments to organization, mission, functions, and personnel in accordance with determinations and findings.

h. DRSAR-CP complete implementation of the COCP as prescribed by DARCOM and provide a complete control system which maintains visibility into all unbilled shipments.

i. DRSAR-CP Review and Analysis include management indicator charts depicting the status of actions and future trends in order that appropriate management action can be initiated. (See Appendix 7, Annex D for applicable charts.)

j. That PD and PC effect the required actions to bill for items that have been shipped and not billed.

k. The current delivered-unbilled orders which do not have a valid NSN/MCN be billed via CCSS subsequent to the resolution of the "AD" rejects by the DRSAR-MM, AD Reject Task Group which was recently activated in an effort to expedite re-entry of rejected data. Upon implementation

of control systems for processing of rejects and reduction in the number of items requiring AD Reject Task Group action, the responsibility should shift from the Task Group to the appropriate members.

l. DRSAR-CP coordinate with DRSAR-IL to identify service rendered unbilled orders, determine actual costs incurred, and initiate billing action.

m. This report be accepted as the final action of the Working Group and that the responsibility for the control and monitorship of this particular program in the future be vested in the Comptroller (DRSAR-CP).

n. A training program be developed in accordance with the conclusions in paragraph 4h. That the functional directorates conduct comprehensive training programs to cover those requirements set forth in Appendix 7 to Annex C. Further, that such training continue to be conducted on an "as required" basis to assure that personnel are fully cognizant of the CCSS applications as releases are effected.

o. That all pseudo or fictitious entries be withdrawn by manual processing and validated for re-entry. Further, that the process of making or entering pseudo or fictitious entries to the system cease.

p. That MM, PP, PD, PC, CP, QA, MS, and IL appoint members to a working group to prepare, coordinate, and disseminate a comprehensive control system for system rejects. This system to be finalized and implemented within 30 days of approval of this report.

q. That the appropriate directorate/office set forth in sub-paragraph a through j above be required to address the status of implementation

and the degree of compliance as part of their individual presentations during the regularly scheduled review and analysis for the Command Group.

r. The Board of Directors and the Working Group be reconvened 60 and 120 days after approval of the study to provide an independent evaluation to the Commander relative to progress on implementation of recommendations.

169b

H-64

APPENDIX H

ANNEX 4

EXCERPT:

AR 700-126, Supply Inventory Control, Section II, Inventory Control, pages 21-27. Provides description and flow sheet of the duties/activities necessary for the performance of the six elements of Inventory Management.

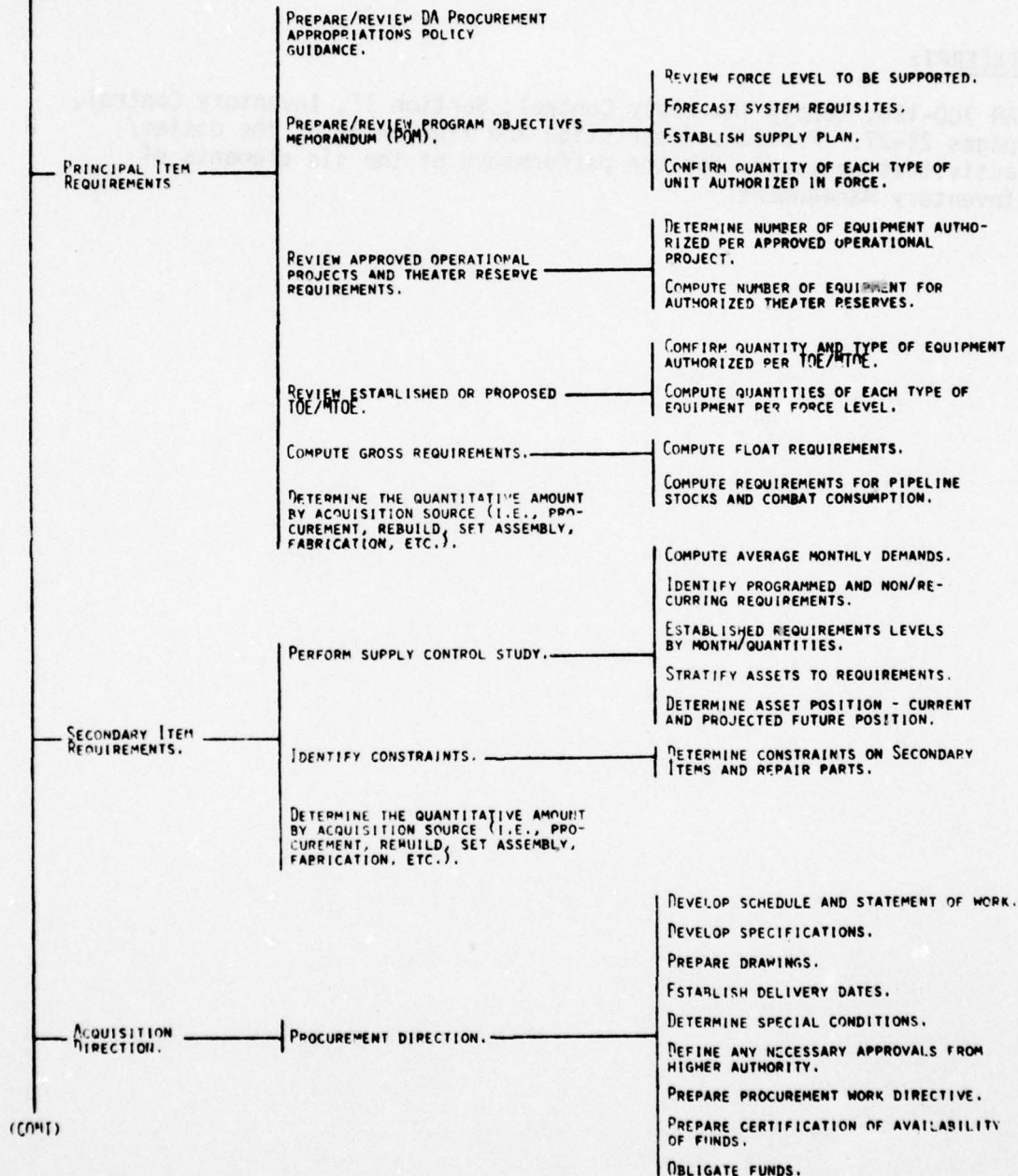
Section II. INVENTORY CONTROL

SUPPLY
INVENTORY CONTROL

REQUIREMENTS/ACQUISITION

EXPLANATION OF TERMS: REQUIREMENTS DETERMINATION

THE COMPUTATION FOR PERSONNEL, EQUIPMENT, FACILITIES, OTHER RESOURCES, OR SERVICES, BY SPECIFIC QUANTITIES, FOR SPECIFIC PERIODS OF TIME OR AT SPECIFIED TIMES.
(DDI 5000.8)



3 March 1975

SUPPLY
INVENTORY CONTROLREQUIREMENTS/ACQUISITION
(CONT)ACQUISITION
DIRECTION (CONT).

PRODUCTION DIRECTION.

OVERHAUL/REBUILD DIRECTION.

DEVELOP SCHEDULE AND STATEMENT OF WORK.
DEVELOP SPECIFICATIONS.
PREPARE DRAWINGS.
ESTABLISH DELIVERY DATES.
DETERMINE SPECIAL CONDITIONS.
DEFINE ANY NECESSARY APPROVALS FROM
HIGHER AUTHORITY.
PREPARE PRODUCTION REQUEST.
PREPARE CERTIFICATION OF AVAILABILITY
OF FUNDS.
OBLIGATE FUNDS.

DEVELOP SCHEDULE AND STATEMENT OF WORK.
ESTABLISH DELIVERY DATES.
PREPARE OVERHAUL/REBUILD WORK DIRECTIVE.
PREPARE CERTIFICATION OF AVAILABILITY
OF FUNDS.
OBLIGATE FUNDS.

3 March 1975

AR 700-126

SUPPLY
INVENTORY CONTROL

CATALOGING

EXPLANATION OF TERMS: CATALOGING

CONSISTS OF THOSE FUNCTIONS, PROCESSES, AND OPERATIONS INVOLVED IN ITEM IDENTIFICATION, CLASSIFICATION, STOCK NUMBERING AND DOCUMENTATION. INCLUDED ARE THE DEVELOPMENT OR APPLICATION OF PRINCIPLES, RULES, GUIDES, DIRECTIVES, ITEM NAMES, FIGS, ITEM DESCRIPTIONS AND NUMBERS, AND ITEM CLASSIFICATION; IN ADDITION, RECORDING AND PRESENTING THE PERTINENT DATA IN A FORM UNDERSTANDABLE AND USABLE FOR ESTABLISHING ITEM IDENTITY, AN AID TO ITEM INTERCHANGEABILITY AND STANDARDIZATION RESEARCH; AND FOR THE DIVERSE REQUIREMENTS OF SUPPLY OPERATIONS AND MANAGEMENT. (N)

FEDERAL ITEM
IDENTIFICATION.

DEVELOP, REVIEW
AND APPLY CATALOG
TOOLS AND MANUALS.

FEDERAL ITEM IDENTIFICATION GUIDES
AND REFERENCE DRAWINGS.

FEDERAL SUPPLY CLASSIFICATION
STRUCTURE/CHANGES.

ITEM NAMES.

RULES AND PROCEDURES (DOD 4100.39-M).

ACQUIRE AND MAIN-
TAIN CATALOGING
RECORDS.

SCREEN DLSC TOTAL ITEM RECORD (TIR)
BY REFERENCE NUMBERS, CHARACTERISTICS
AND NATIONAL STOCK NUMBER (NSN).

PREPARE AND FORWARD ITEM DESCRIPTION
AND/OR APPLICABLE DATA AND CATALOGING
CHANGE PROPOSALS THROUGH A SINGLE
SUBMITTER (DRA, WITH, CIRM, IF REQUIRED,
OR FORWARD IT DIRECTLY TO DLSC.

PROVIDE UNIFORM FREIGHT CLASSIFICATION
(UFC) AND NATIONAL MOTOR FREIGHT CLAS-
SIFICATION (NMF) FOR A NEW NSN.

DEVELOP STANDARD TRANSPORTABILITY
CHARACTERISTICS DATA.

MAINTAIN CATALOG DATA (ASSIGNED NSN,
MANAGEMENT DATA, APPROVED CHANGES)
RECEIVED FROM DLSC.

ARMY ITEM
IDENTIFICATION.

ESTABLISH MANAGE-
MENT CONTROL NUMBER
(MCN) REGISTER)

ASSIGN MCN FOR LOCAL USE.

RECEIVE AND PROCESS REQUESTS FOR NSN
ASSIGNMENT (DA FORM 1388, REQUEST FOR
NATIONAL/NATO STOCK NUMBER) FROM
COMMODITY COMMANDS OR ACMA.

NSN INQUIRY ON
MCN.

SCREEN DA FORM 1388 AGAINST THE TOTAL
ITEM RECORD (TIR).

ADVISE SUBMITTING ACTIVITY OF THE NSN.

CATALOG
MANAGEMENT
DATA (CMD).

COLLECT AND
RECORD DATA.

SOLICIT AND COLLABORATE APPROPRIATE
MANAGEMENT DATA FROM ITEM MANAGERS.

RECORD CMD IN PROPER FORMAT.

DISTRIBUTE DATA.

DISTRIBUTE CMD TO DLSC AND USACDA FOR
UPDATE OF THE TIR AND AMDF RESPECTIVELY.

PROVIDE TAILORED AMDF DATA TO SUPPORT-
ED ACTIVITIES WORLDWIDE.

PUBLICATIONS.

DETERMINE ARMY REQUIREMENTS
FOR FEDERAL SUPPLY CATALOGS.

COORDINATE NEEDS WITH DEFENSE SUPPLY
AGENCY

DEVELOP ARMY SUPPLY
CATALOGS AND SUPPLY
MANAGEMENT DATA LISTS.

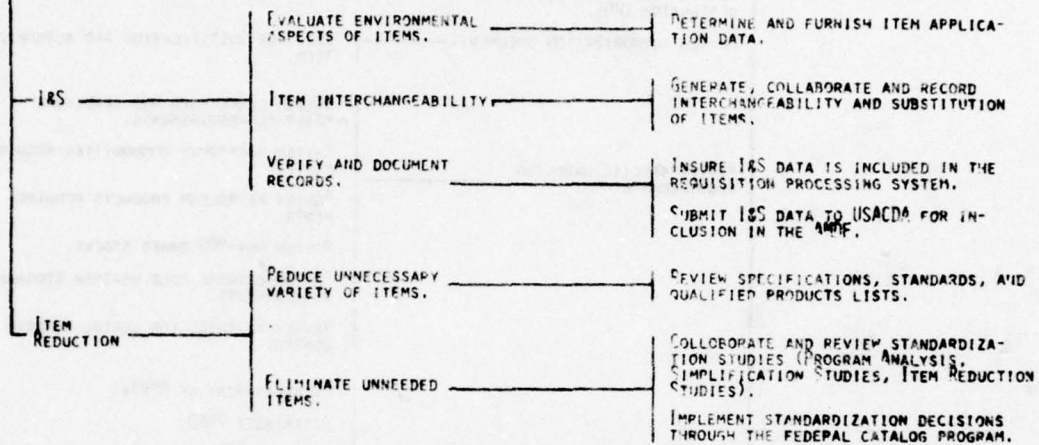
PREPARE COMPONENT LIST SUPPLY CATA-
LOGS, SD 38-100, AND INTRODUCTION TO
THE FEDERAL SUPPLY CATALOG.

PREPARE PUBLICATION/MICROFICHE OF
SELECTED CATALOG MANAGEMENT DATA FROM
USACDA CENTRAL RECORDS.

(CONT)

3 March 1975

CATALOGING (CONT)



3 March 1975

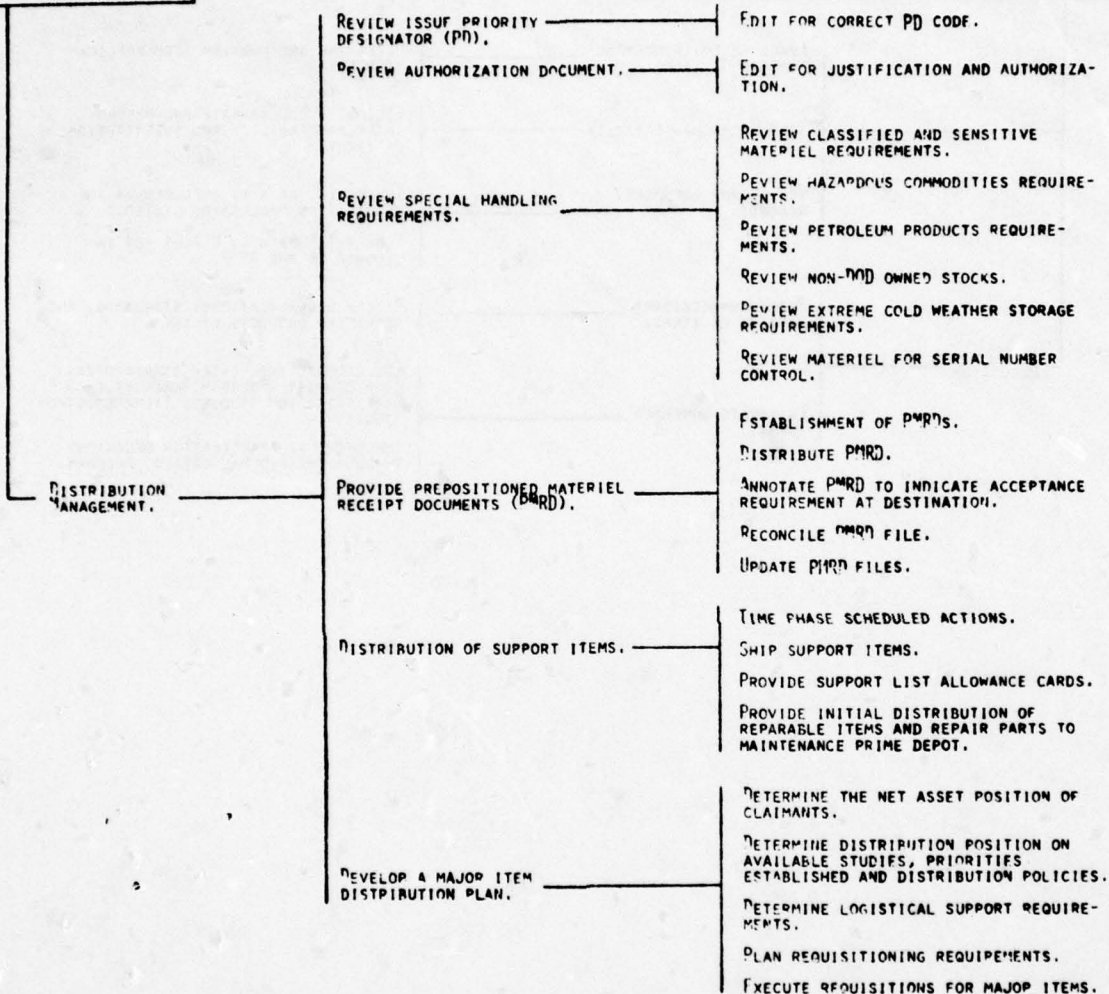
AR 700-126

SUPPLY
INVENTORY CONTROL

DISTRIBUTION

EXPLANATION OF TERMS: DISTRIBUTION

THE FUNCTIONAL PHASE OF LOGISTICS WHICH INCLUDES POSITIONING AND ISSUING ASSETS IN AN EFFICIENT AND TIMELY MANNER TO SATISFY REQUIREMENTS. (P)



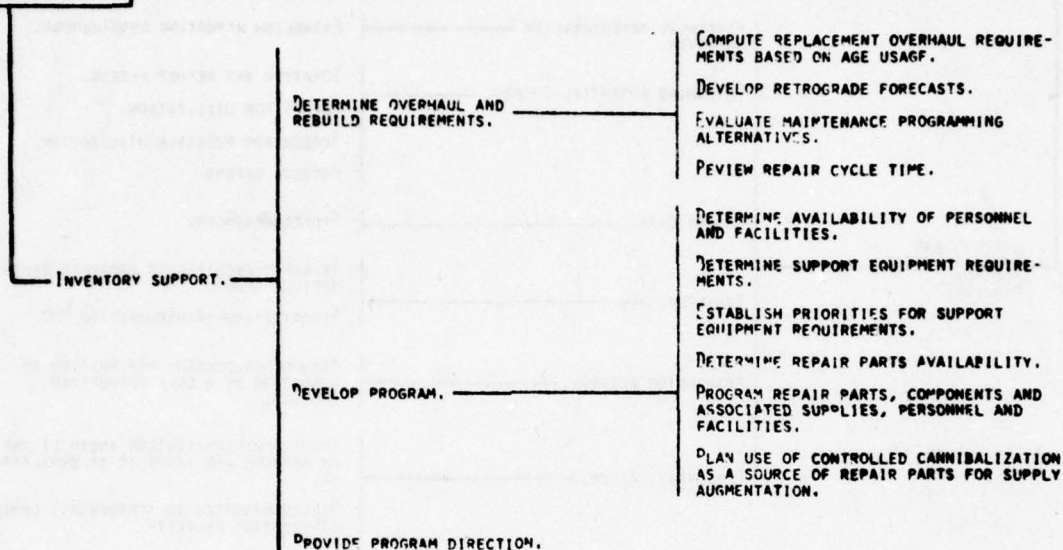
3 March 1975

SUPPLY
INVENTORY CONTROL

OVERHAUL/REBUILD
DIRECTION

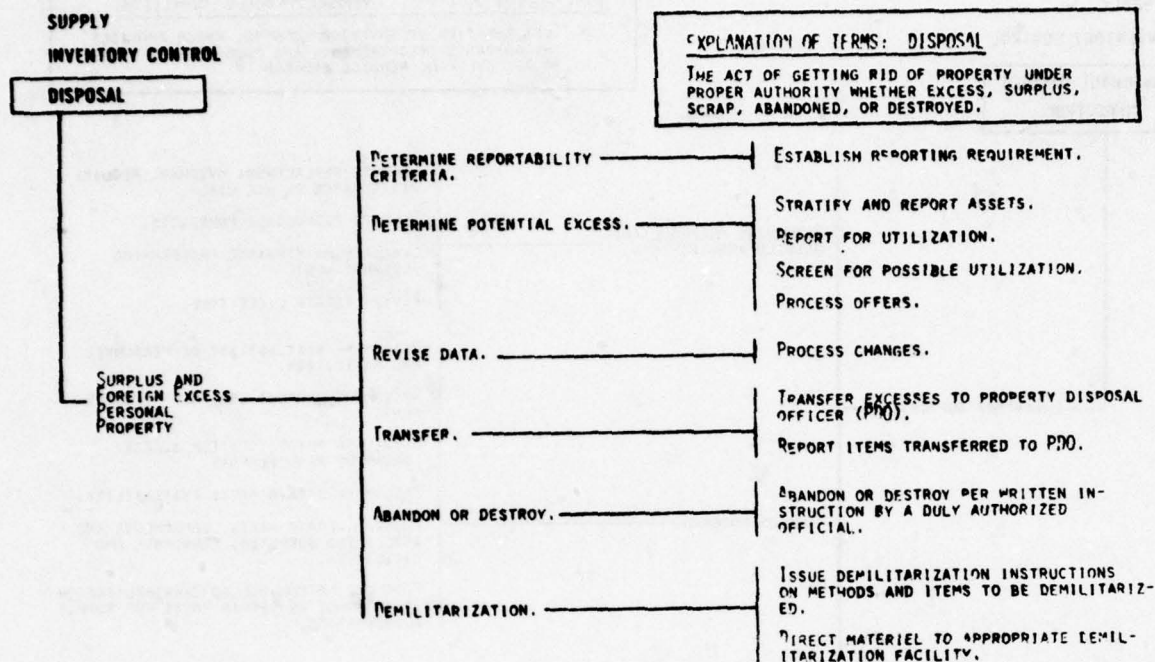
EXPLANATION OF TERMS: OVERHAUL/REBUILD (DIRECTION)

THAT FUNCTION OF INVENTORY CONTROL WHICH PROVIDES THE GUIDANCE, REQUIREMENTS AND RESOURCES RELATING TO THE OVERHAUL/REBUILD PROGRAM.



3 March 1975

AR 700-126



APPENDIX H

ANNEX 5

EXCERPT:

AR 710-1, Centralized Inventory Management of the Army Supply System. This regulation consolidates centralized inventory management regulations into a single directive covering this subject.

The excerpted pages (1-2 and 1-3) cover the area of "applicability" of this regulation to non-supply items; e.g., industrial materiel, APE, FAITE, for which the study indicates a need for clarification. The specific reference paragraph cited is 1-4d.

24 February 1971

policy and guidance, including standard interpretation and defined requirements.

(d) Monitor the effectiveness of and conformance to directions that have been disseminated. They will also consider modification of implementation plans when required by capabilities or limitations of subordinate echelons.

(e) Prepare special formats based on information in computer files. They will advise the DA on the availability of data, using standard reports and exclude duplicate reports. They will avoid overloading computer capacities.

(f) Discourage direct operation between subordinate commands and the DA Staff and will encourage alignment with command channels. "By-passing" of the central point for processing guidance or requiring specialized reports will be limited to extreme emergencies. The central control point must be furnished information on guidance, as well as on requests for data, in every instance.

(g) Coordinate their actions with DA and advise DA of limitations on timing and capabilities or deficiencies of resources.

(2) Subordinate commands of major commands will establish a central point to receive guidance and programing data on supply management and financial inventory control. These central points will be used by major commanders to coordinate, expand, and distribute guidance throughout their command.

c. The Army Materiel Command and other commands and staff agencies having NICP/ACMA responsibilities will provide a system of liaison between all inventory management and supporting common service echelons including those concerned with programing, budgeting, manpower control, review, and analysis. They will also establish the necessary liaison for inventory control point management between other Department of Defense agencies and major commands engaged in common interest functions. This liaison aids in achieving—

(1) Coordination and understanding of the responsibilities of the NICP and ACMA.

(2) The most efficient, timely, and responsive logistical support.

(3) The degree of uniformity and compatibility of NICP and ACMA procedures and controls necessary to insure prompt, coordinated action by control points and to provide for integrated materiel inventory management operations.

d. The elements of integrated materiel inventory management (cataloging direction, requirements computation, procurement direction, distribution management, maintenance direction, and materiel utilization direction) pertaining to the control of an item, category, or group of items, will be established as a single integrated operation. The integrated operation will be identified as the NICP (national inventory control point) for the designated items. Each item of materiel required for either military or industrial use, regardless of the manner of acquisition, will be assigned to but one commodity manager.

(1) An NICP will be so organized as to insure the integration of the basic elements. The management of materiel by that NICP will be in terms of the complete responsibilities for those elements.

(2) The subordinate segments of an NICP will be so organized as to retain the mission composed of the basic elements.

e. The centralization of visibility and stipulated controls over worldwide inventories will be accomplished to assist and support commanders in the proper and timely execution of their supply missions. This produces economies and improves the inventory management of materiel on the broadest possible base. This authority will not be used to hinder commanders in the accomplishment of their assigned missions. The extension of this authority will be accomplished within the provisions of this regulation and Department of Defense directives.

f. Commodity managers will insure timely identification, inspection, and classification of unserviceable materiel. Repair or rebuilding of required items will be accomplished promptly. Items not qualified for retention will be processed for disposal.

g. When a complete end item is assembled from component items prior to issue, and the

supply responsibility for it is assigned to an inventory control point or other Department of Defense agency other than the end item point, it will be under the jurisdiction of but one commodity manager. The commodity manager of the end item inventory control point is responsible for accumulating the necessary components to complete the end item, prior to issue.

h. Each inventory control point will periodically review the inventory status of each item under its control in relation to current and future demands. It will determine as excess that quantity which exceeds the authorized retention limit. Recomputation of quantitative supply levels will be processed promptly and materiel utilization actions initiated when required.

i. Each NICP and ACMA will establish and maintain records for each item of supply. These records will show the composition (stratification) of inventories, on a quantitative and monetary basis, with respect to condition and purpose for which held, e.g., peacetime operating stock; mobilization reserve, to include identification of the authorization; economic or contingency retention; and excess stocks following the application of assets concept contained in this regulation.

j. The composition of inventories for specific purposes, such as special and mobilization reserves or special projects, will be identified on a quantitative and monetary basis. Distribution will be planned and accomplished in a manner that will most effectively support approved plans and attain minimum vulnerability.

k. Stockage lists and CONUS depot levels will be determined by NICP and ACMA according to published Department of the Army criteria. Levels will be reviewed periodically to insure alignment with current criteria. Worldwide stockage levels will be maintained in balanced relationship to the demand data produced by the Army Field Stock Control System, levels computed from the supply control study process, or levels computed under criteria published by the Department of the Army (for example, ammunition).

l. Distribution of stocks will be determined and distribution patterns will be established to eliminate or minimize cross or back-hauling. Inventory control point managers will request and use the assistance and guidance of transportation and storage specialists in controlling, distributing, and positioning materiel.

m. Stock status data received from installations and oversea commands will be accumulated and maintained by commodity managers. Stock status data required from other than CONUS depots will be obtained from reports required by AR 711-5 and AR 711-80 (Army Supply Status Reporting System and the Army Field Stock Control System) and reports submitted in accordance with the Selected Intensive Management System (SIMS) procedures. Recurring direct reports from CONUS and oversea commands, other than those prescribed above, will not be established without the approval of the Deputy Chief of Staff for Logistics.

n. Worldwide inventory data for operations and maintenance, Army and Army stock fund items will be expressed also in terms of dollars, by materiel category, as a part of the budget, apportionment, and allocation process. Dollar inventory data for procurement of equipment and missiles, Army (PEMA) items will be compiled in accordance with instructions promulgated by the Deputy Chief of Staff for Logistics.

o. Financial reports will be used as a management control to the maximum extent practicable. Such action will be accomplished by commodity managers and other interested CONUS and oversea supply managers at applicable echelons.

p. NICP will, in coordination with appropriate maintenance facilities, as required, determine those items which will be locally procured. They will also disseminate instructions to consumer agencies in accordance with Department of the Army policies.

q. NICP and ACMA will emphasize the importance of materiel standardization. When nonstandard items are introduced into the sup-

ADDENDUM I

2

ADDITIONAL INFORMATION
(Staffing Comments, etc.)

ADDENDUM I

This addendum contains errata, review comments, and other information subsequent to the preparation of the completed Draft Study Report. The information was considered in preparing the final report for submission to Command. The comments in this addendum are addressed to the Draft report, and this final report does reflect some revisions made as a result of the review comments. The information is not grouped by any category or system other than chronologically as received or developed.

This addendum further contains the correspondence, comments, and memorandums relative to final staffing and submission of the study report to command. Final recommendations approved by command are set forth in the Executive Summary and Chapter 6 of this study report.

DRSAR-PPC

DRSAR-AS, COL Kelley
DRSAR-CP, COL Rife
DRSAR-MS, Mr. McCune
DRSAR-PTF, Mr. Logan
DRSAR-SA, Mr. Rhian

Task Force Study on Centralized or Decentralized Item
Management Within HQ, ARROOM

DRSAR-PP

10 MAR 1978

Mr. Bixby/dms/6414

1. Subject study report has been completed in draft and copies distributed to addressees 10 Mar 78. Study Advisor Group (SAG) will convene at 1300 Wednesday, 29 Mar 78, in DRSAR-PP conference room to review the draft report and provide guidance to the FWG for possible report revisions, final preparation, and submission to the Commanding General.
2. Request that you review the draft report prior to SAG meeting to develop specific comments for study report revisions and FWG guidance.
3. All members of the FWG should also attend this SAG meeting and be fully prepared to discuss the report and subsequently to actively perform final report revisions, preparation, and submission.
4. Copies of the draft report have been distributed to key functional directorates (DRSAR-DA, DRSAR-IL, DRSAR-MA, DRSAR-MM, DRSAR-PD, and DRSAR-QA) for their review and comments. These comments should be available for the SAG meeting.

ISABELLE HANSEN
Chief, R&P Policy and Plans Office

CF:

DRSAR-ASP, Mr. Gustafson
DRSAR-GPP, Mr. Rubin
DRSAR-MSS, Mr. Wohlers
DRSAR-PTF, Mr. Flynn
DRSAR-SAL, Mr. Olson
DRSAR-SAL, Mr. Shore
DRSAR-SAL, Mr. Wells

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

S: 27 Mar 78

REFERENCE OR OFFICE SYMBOL

SUBJECT

DRSAR-PPC

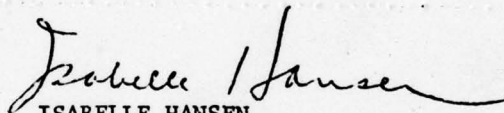
Task Force Study on Centralized or Decentralized Item
Management Within HQ, ARRCOM

TO DRSAR-DA
DRSAR-IL
DRSAR-MA
DRSAR-MM
DRSAR-PD
DRSAR-QA

FROM DRSAR-PP

DATE 10 MAR 1978 CMT 1
Mr. Bixby/dnm/6414

1. Subject study report has been completed in draft, and copies distributed to the addressees' designated technical Support Group (TSG) representatives on 10 Mar 78 for review and comment.
2. Request that your comments be provided by CMT 2 NLT 27 Mar 78 so that they may be given appropriate consideration by the Study Advisory Group (SAG) during their planned 29 Mar 78 meeting with the Primary Working Group (PWG).
3. Specific comments will be most appropriate; i.e., suggested amendments in errata form.



ISABELLE HANSEN

Chief, P&P Policy and Plans Office

CF:

DRSAR-DAA, Mr. Conner
DRSAR-ILP-R, Mr. Kiefer
DRSAR-MAP-R, Mr. Cheek
DRSAR-MMP-S, Mr. Knittel
DRSAR-PDP-E, Mr. Braman
DRSAR-QAM, Mr. Shinnars

I-3

DRSAR-ILO (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item Management Within
HQ, ARRCOM

TO DRSAR-PP

FROM DRSAR-IL

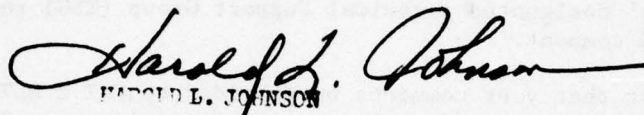
DATE

11 MAR 1978

CMT 2

Mr. Kieffer/ey/3590

This directorate concurs in the recommendations of subject study.


HAROLD L. JOHNSON
11 MAR 1978

DRSAR-MAP-R (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item Management
Within ARRCOM

TO DRSAR-PP

FROM DRSAR-MA

DATE 24 MAR 1978 CMT 2
Mr. Cheek/jy/5307

1. Subject study has been reviewed and the following comments are offered:

a. Pages 5-4 and 5-5 indicate, based on attributed analysis, status quo is the most desirable alternative for the near term. Page 5-9 indicates the partial centralization (FATE & APE) is recommended for longer term. The above was based on the primary working group conclusions but the recommendations, page 6-14, indicate transfer of DRSAR-MA's APE Inventory to DRSAR-DA. Transfer for the near term had to be assumed since no timeframes was indicated. If the recommendation depicts longer term actions, timeframes should be indicated.

b. As explained in para 3b (page 5-4) the rating of the alternatives against the specified attributes are all subject to personal interpretations; this Directorate contends that separation of the APE inventory management from maintenance would degrade the overall renovation, maintenance and demilitarization efforts. Increase of correspondence and delays would be experienced between the APE inventory managers and maintenance representatives since close coordination is required. Under status quo the item managers and maintenance personnel work together in response to worldwide maintenance requirements in a minimal amount of time. In addition, if the inventory managers are separated from maintenance, the field would have two separate Directorates to communicate with in support of their APE requirements. Support to the field should be the prime factor when considering APE assignment changes.

c. Delete paragraph 4c(7), page 6-16 in its entirety: Reason: DRSAR-MA is not responsible to clear or request MCN and NSN assignments for other directorates.

d. The study recommendations require all APE to be entered into the NSNMDR and CCSS. This recommendation conflicts with the directions from DARCOM Headquarters in May 1973. Letter, HQ AMC, ATTN: AMCSV-BM, 31 May 1973, directed that actions be taken to delete FSN's assigned to APE end items and repair parts. Deletion of APE FSN's (NSN's) from SB 700-20 and the Army Master Item Data File (MIDF) was implemented 1 March 1974. A copy of the HQ AMC rationale for this action is on file within DRSAR-MAD-GA. Implementation of NSN's for end items and parts (600 end items and 40,000 to 50,000 parts) would be a monumental task. Operator manuals for all APE would require complete revisions to reflect NSN's assigned. APE is currently distributed worldwide to Army customers and also has been sold to foreign governments. Manual revisions are not accomplished within HQ ARRCOM but by APE design elements at Savanna and Tooele Army Depots.

DRSAR-MAP-R

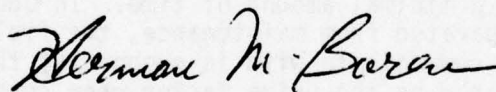
24 APR 1978

SUBJECT: Task Force Study on Centralized or Decentralized Item Management
Within ARRCOM

e. The study does not address the fact that item management transfer to DRSAR-DA would also require that they determine all worldwide APE requirements to include budgeting for equipment fabrication/procurement thru DESCOM. Currently, all hardware (end items and repair parts) is included along with the APE engineering design and development requirements in one overall budget submitted by DRSAR-MA. This submission would have to be altered to delete all hardware if DRSAR-DA assumes transfer of this function. DRSAR-DA would then be required to submit a separate budget for AIF funding of APE hardware and parts.

f. The study fails to recognize recent developments in the APE management program. The APE program has been elevated from a DARCOM program for depots to an Army program for worldwide support. An AR 700-XX (Draft) is currently at the Department of the Army for review. Final approval of this AR would charge ARRCOM as accountable for all APE worldwide. A TDA change citing an accountable officer, an assistant, and a requirements determination officer (all three personnel with supply type job descriptions) would also transfer to DRSAR-DA, along with their associated new duties.

2. Predicated on above, this Directorate recommends the status quo alternative.



HERMAN M. BAREN
Acting Director of Maintenance

DRSAR-QAD (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item Management
Within HQ, ARRCOM

TO DRSAR-PPC

FROM DRSAR-QA

DATE 27 Mar 78 CMT 2
Mr. Shinnars/fmt/4021-260

1. Inclosed are comments in errata form, relative to items managed by DRSAR-QA (Incl 1).

2. The following general comments are also provided:

a. Chapter 1, page 1-5, paragraph 6(3) - Apparently, the parochial orientation and understandable bias of only one organization influenced the study since it is the only organization recommended to retain decentralized management over the long term (DRSAR-PD).

b. Page 1-7, paragraph 7 - The lack of definition of terms prior to release of the preliminary survey, contributed to the ambiguity and misunderstanding within DRSAR-QA of the nature of the study and therefore affected the quality of information obtained.

3. In light of the above comments, DRSAR-QA cannot concur in the recommendations of the executive summary (page V) since it appears that misinterpretation of the facts related to the nature of DRSAR-QA managed items and missions has led to unsupportable conclusions. Specific changes to the executive summary are outlined on the inclosure (Incl 1). It should also be noted that inventory management of the Final Acceptance Inspection and Test Equipment (FAITE) is only a portion of total management control of this material, which involves several elements of ARRADCOM and ARRCOM. In addition, the study has not addressed the requirements of ARRCOMR 700-2 regarding administrative leadtime for processing procurement packages which would be seriously compromised by transfer of the QA items (FAITE) to MM or DA.

4. It should be noted that the study has included under the misnomer of FATE (Final Acceptance Test Equipment) two categories of material for which DRSAR-QA has inventory management: FAITE which is managed by DRSAR-QAD and Master Calibration and Reference Ammunition and components and Proving Ground equipment managed by DRSAR-QAM. The inclosed comments deal specifically with FAITE; however, non-concurrence in the recommendations of the study extends to the second category identified above, due to the relationship of this material with QA missions and functions such as inspection, ballistic testing, etc.

1 Incl
as


JOHN J. OBREN

Director, Product Assurance Directorate

ERRATA SHEETS

1. Change all references to FATE in the study, to read "FAITE" (Final Acceptance, Inspection and Test Equipment).

2. Executive Summary

Page V - Recommendations

(a) Delete paragraph b(1)(b) which recommends transfer of QA items and personnel to DRSAR-MM or DRSAR-DA.

(b) Delete paragraph b(2) and substitute the following: "Record FAITE items in the NSNMDR with an MCN only upon receipt of an IL or MIPR demand only to record shipping documentation and accomplish billing under CCSS procedures."

3. Chapter 2 - Discussion of Current Inventory Management

Page 2-1; paragraph 1a(2)(a) - Delete and substitute: Final Acceptance Inspection and Test Equipment (FAITE). The inventory management of this equipment is the responsibility of DRSAR-QA in accordance with ARRCOM supplement 1 to DARCOMR 702-2.

4. Chapter 3 - Analysis

a. Page 3-3 - Paragraph 2a(4) Organization & Mission - Delete the last sentence and substitute: "ARRCOMR 10-1 contains the following statements under functions of Product Assurance Methodology and Data Systems Division: Develop the ARRCOM system, together with attendant policies and practices, for the supply, control, maintenance and lay-a-way of test and measuring equipment (including all inspection and calibration equipment). Support Procurement/Production in the review of inspection equipment lists, determining availability of special inspection equipment, and facilitate the approval of contractor designed inspection equipment by ARRADCOM.

DRSAR-QAD (10 Mar 73)
CMT 2, 27 Mar 73
Incl 1, pg 2

b. 3-7 - Paragraph 2(b)(5) - Delete and substitute the following:

DRSAR-QA has inventory management responsibility for FAITE. FAITE items managed by DRSAR-QA have not been assigned MCN's or NSN's nor recorded in the NSNMDR because they are not normal items of issue nor can they be considered an ARRCOM commodity of the same nature as items managed by DRSAR-MM or DRSAR-DA. The requirements for these items are determined during development of new items or systems by ARRCOM and are documented in technical data packages for procurement of major or secondary items. DRSAR-QA exercises staff supervision over the central storage accounts for these items and is responsible for inputting availability of required items into procurement packages and for authorizing the issue, retention or disposal of this material. DRSAR-QA personnel involved include an inventory management specialist and supply technician who have been trained in preparation of forms and procedures for input of items to NSNMDR. Again, only items which have MIPR and IL demands will be assigned an MCN and only for billing purposes.

c. Page 3-10 and 3-11 - Paragraph 2b(9) - Add the following: The immediate problem of delivered unbilled issues of FAITE items can be overcome by the recording of items, which are sold to DRSAR-IL, in NSNMDR for billing purposes only, by coordinated action of the inventory managers (DRSAR-QA) and cataloging and maintenance personnel. This is particularly true in view of the small volume of sales or issue through DRSAR-IL and MIPR of FAITE items.

d. Page 3-14 - Paragraph 2c(b) - Change to read "(a) Has inventory management responsibility for FAITE; (c) Has one Inventory Management Specialist position and one Supply Technician position assigned".

e. Page 3-16 - Paragraph 2d(10)(e)3 - Change to read: "Managed by DRSAR-QA and entered in the NSNMDR with an MCN for billing purposes.

DRSAR-QAD (10 Mar 78)
CMT 2, 27 Mar 78
Incl 1, pg 3

f. Page 3-17 - Paragraph 4b - Delete reference to DRSAR-QA. Note:
DRSAR-QA personnel are familiar with inventory management and have been
provided CCSS training.

5. Chapter 4 - Analysis of Alternatives

a. Page 4-9 - Paragraph 3b(1)(e) - Delete references to DRSAR-QA. Paragraph 3b(2)(9)2 - Delete and substitute the following: These items do not qualify for integrated inventory management by the NICP and they are not an ARRCOM commodity, which is supplied under normal procedures to military customers. Although the items are stored at various locations and an accountable property officer is assigned to each, DRSAR-QAD maintains central control of issues, shipments and disposal and maintains total inventory management, including computation of requirements and initiation of replenishment procurement, for expendable ballistic test equipment. Assignment of an MCN to Army designed inspection and test equipment would require update by ARRADCOM of all TDPs for ARRCOM items on which the requirements are not identified by part or drawing number. In addition, the users of this equipment (industrial) would not have the capability to requisition this material, via MILSTRIP, for the most part. Also, the demand patterns for this materiel would preclude effective supply management under normal CCSS procedures. At the present time, DRSAR-QA has developed internal procedures for inventory management which assure optimum capability to support procurement and production of assigned ARRCOM items, by providing this material as Government furnished equipment to producers of weapons, ammunition etc. It should also be noted that the inspection equipment provided to contractors is furnished on a loan basis which would create difficulties in financial management of the materiel under CCSS.

DRSAR-QAD (10 Mar 73)
CMT 2, 27 Mar 78
Incl 1, pg 4

b. Page 4-13

(1) Paragraph 3b(4) Disadvantages: Delete (a) and substitute the following: (a) The physical separation of the inventory management function for FAITE would impair the capability of DRSAR-QA to provide input of Section I provisions in procurement packages within ALT parameters established by ARRCOMR 700-2. FAITE items which are available as GFE are listed in contract Section I.

(2) Paragraph 3b(4)(c) Add: It is doubtful that FAITE items could be standardized and cataloged and that effective accountability could be established due to the nature of the items and normal users.

6. Chapter 5 - Comparative Analysis

a. Page 5-2 and 5-3 - Paragraph 2a - Change sentence 5 (which begins, "Inventory Management ...") to delete reference to APE. Note: The reference cited in the following sentence (AMCR 702-2) applies to FAITE and not to APE items. In addition, delete the reference to direct conflict with AR 710-1 since FAITE items are not part of the normal Army Supply System.

b. Page 5-9 - Paragraph 5, Summary - Change d to read: Partial centralization ... for centralized inventory management; however, it would jeopardize QA support to procurement and production and does not compare favorably with the status quo for FAITE items.

7. Chapter 6, Conclusions and Recommendations

a. Page 6-10 - Paragraph 1d(25) - Delete parenthetical expression. Note: As indicated in previous changes, suggested inventory management of FAITE items is not easily adaptable to CCSS procedures.

b. Page 6-14 - Paragraph 4b(1)(b) - Delete this sentence as previously noted in basic DF comment on recommendations expressed in executive summary.

c. Page 6-15 - Paragraph 4b(2)(a) and (2)(b) - Delete for reasons cited in above comments.

DRSAR-MMP-S (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item Management within
HQ, ARRCOM

TO DRSAR-PP

FROM DRSAR-MM

DATE CMT 2
Mr. Knittel/sc/4185

1. Rather than provide suggested amendments in errata form, this Directorate intends to provide general comments addressing the recommended course of action. Specific paragraphs will be cited as deemed appropriate in support of the following narratives.
2. This Directorate agrees with the general concept of processing customer requisitions on all ARRCOM managed items through the CCSS. In addition, we feel the recommendation to move towards Partial Centralized Inventory Management is sound. However, DRSAR-MM would prefer to accomplish the task in a somewhat different manner. These refinements will hopefully improve ARRCOM's overall mission performance in customer support while avoiding or at least keeping to a minimum adverse impacts.
3. DRSAR-MM feels the APE items would be more appropriately managed within this Directorate if they are to be transferred at all. This would be compatible with ARRCOM's overall division of item management responsibility. APE materiel is not Class V materiel as defined in SB700-20 and, therefore, is the responsibility of DRSAR-MM.
4. The First Article Test Equipment (FATE) items should be managed in a similar manner as that recommended for the DRSAR-PD items. It seems the best approach would be to load FATE items at the time of customer demand only. This would limit the total number of MCN's/NSN's required and also permit a more gradual phase-in into the CCSS. Additional benefits would be that any increases in workload could be more easily controlled and there would be a test phase to ensure proper training and procedure development. Personnel realignments would not be as extensive until the majority of the FATE items are loaded into the CCSS. FATE item management would not be totally removed from the expertise available in DRSAR-QA. This is even more critical when it is emphasized that FATE requirements are developed by DRSAR-QA at the time a procurement package is prepared under the System for Improved Acquisition of Materiel (SIAM).
5. DRSAR-MM agrees the DRSAR-PD items should be partially centralized under the CCSS. However, DRSAR-MM's first and foremost area of concern is the lack of sufficient additional personnel required to accomplish this proposed new mission. If DRSAR-MM and DRSAR-DA are required to assume responsibility of all nonstandard items which the study defines as the ARRCOM problem items, it would seem many more personnel realignments would be in order. It seems DRSAR-PD would be, according to para 4(e), page 4-7, overstaffed by 30 percent. The study points out that the additional 30 percent effort is a secondary responsibility of Production Managers and not their primary duty. This is probably true. However, if proposed gaining directorates are to take over this secondary mission (fully defined in Appendix 5 to Annex D, page 158, Delivered-Unbilled System Deficiencies Study (Incl 1)), they should also receive the

DRSAR-MMP-S (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item Management within HQ, ARRCOM

personnel. In light of current manpower constraints, the ARRCOM organization must now, more than ever, ensure equitable distribution of available manpower. This Directorate cannot accept the additional workload of DRSAR-PD nonstandard items without the additional personnel.

6. The DRSAR-IL managed items, estimated to be 300 lines, must also require the time and efforts of several personnel. On the surface it seems that the transfer of 300 lines into proposed gaining directorates which manage thousands of lines would be of little significance. However, it must be remembered that these 300 lines are non-standard problem items. Management of these items is difficult and time consuming. This Directorate agrees with para 3b(6), page F-38, which states some DRSAR-IL spaces should be available for transfer to the NICP's. DRSAR-MM also questions the estimate of 300 lines. On page F-35, para 2(a), the number of DRSAR-IL AD rejects is estimated to be 700. The Arsenal support program may add even more lines to the overall figure.

7. If the studies' recommendations are implemented, there will be much work to be accomplished in the Cataloging area. This Directorate would like to emphasize that cataloging of all nonstandard items should be accomplished in the same manner as is currently used to catalog standard items. Specifically, those Directorates currently responsible for Cataloging actions must continue to perform those functions. Our greatest concern is that DRSAR-MA initiate Form 19's rather than simply review them prior to input of data into the CCSS.

8. The following final comments are offered for your consideration:

(a) DRSAR-MM feels this study does not address personnel realignments as thoroughly as is required. There is a lack of definitive quantitative data which is required to insure the validity and equality of distribution of ARRCOM personnel resources. The scope of the Initial Study Plan stated that quantitative aspects of personnel realignments would be considered. It appears that this data received too little consideration in light of para 4(d), page 1-3.

(b) The CCSS may ultimately enable ARRCOM to manage nonstandard items with minimal resource requirements. However, as stated in the study, tremendous manual effort is required in the areas of Identification and Cataloging before full realization of benefits can be derived. CCSS can solve many of the ARRCOM problems we are currently experiencing due to the establishment of the strict discipline required in CCSS processing.

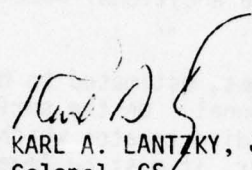
9. The thrust of the overall study appears to be that the addition of approximately 20,000 items between the two proposed gaining directorates would not lead to an overwhelming increase in workload. But, it must be remembered that these nonstandard

DRSAR-MMP-S (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item Management within
HQ, ARRCOM

items will always require "hands on" management. For this reason, this Directorate
nonconcurs with the arbitrary realignment of responsibilities/duties without corres-
ponding personnel realignments.

1 Incl
as


KARL A. LANTZKY, JR.
Colonel, GS
Director, Mat Mgt Dir

DRSAR-PDP (10 Mar 78)

SUBJECT: Task Force Study on Centralized or Decentralized Item
Management Within HQ, ARRCOM

TO DRSAR-PP

FROM DRSAR-PD

DATE

29 MAR 1978 CMT 2
Mr. Braman/jh/6506

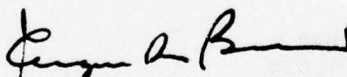
1. The following comments are offered relative to the recommendations provided in the Executive Summary for subject study.

a. The recommendations on page vi, paragraphs d(2), (3), (4), and (5) are strongly recommended for implementation. The processing of nonstandard and MIPR items create turmoil. These items were assigned under the provisions of ASPR Section V "Coordinated Procurement" and are currently in the process of being transitioned to a Primary Inventory Control Activity (PICA) other than US Army or being challenged for reassignment to the Army.

b. The Phase I implementation of AMCR 700-99, PICA assignments, is a cataloging function establishing wholesale managers of nonconsumable items which entails, among other tasks, engineering, configuration control and procurement functions. These functions were not reassigned concurrent with the PICA assignment (to another service) because of their commonality to US Army PICA assigned items.

c. The resolution of commonality in weapon PICA assignments is currently being undertaken by DRSAR-MM through resolution procedures outlined in AMCR 700-99. These circumstances require continuing procurement of mission assigned items not fully transitioned to the gaining PICA.

2. Based on the above comments and a possible contradiction among paragraphs d(2), (3), (4), (5) and the provisions for processing nonstandard or MIPR items, recommend that paragraph e, page vi, be deleted.



EUGENE R. BELCHER
COL, GS
Director, Production Directorate

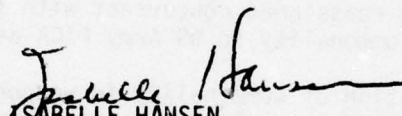
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REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPC	Task Force Study on Centralized or Decentralized Item Management within HQ, ARRCOM
TO SEE DISTRIBUTION	FROM DRSAR-PP
DATE 21 APR 78 CMT 1 Mr. Bixby/pjs/6414	

1. Reference is made to DF, DRSAR-PP, 10 Mar 78, SAB with CMT 2 responses.
2. Subject draft study report was reviewed by the SAG 29 Mar 78, and referenced CMT 2 responses considered at that time. Revisions to the study report have been made as a result of the SAG review, and copies of these revisions are attached as Incl 1.
3. Please remove superseded pages from your copy of the draft report and replace with the attached errata/revision sheets as appropriate.
4. Completed report submitted to Command will include the referenced responses as well as the attached revisions, and the CMT 2 responses will be addressed in the presentation meeting.

1 Incl
as


ISABELLE HANSEN
Chief, P&P Policy and Plans Office

DISTRIBUTION:

DRSAR-AS, COL Kelly
DRSAR-ASP, Mr. Gustafson
DRSAR-CP, COL Rife
DRSAR-CPP, Mr. McKenney
DRSAR-DA, ATTN: Mr. Conner, DAA
DRSAR-IL, ATTN: Mr. Kiefer, ILP-R
DRSAR-MA, ATTN: Mr. Cheek, MAP-R
DRSAR-MM, ATTN: Mr. Knittel, MMP-S
DRSAR-MS, Mr. McCune
DRSAR-MSS, Mr. Wohlers
DRSAR-PD, ATTN: Mr. Braman, PDP-E
DRSAR-PTF, Mr. Logan
DRSAR-PTF, Mr. Flynn
DRSAR-QA, ATTN: Mr. Shinnars, QAM
DRSAR-SA, Mr. Rhian
DRSAR-SAL, Mr. Olson

DRSAR-PPC

MEMORANDUM FOR RECORD:

SUBJECT: Notes from Deskside Briefing: Study on Centralized versus Decentralized Item Management in HQ, ARRCOM, 19 May 1978
(Notes from meeting attendees, in addition to those cited in Mrs. Hansen's MFR of 19 May 1978)

SOURCE OF NOTES:

Mrs. Hansen: Attached MFR, 19 May 78

Mr. Olson: Attached MFR, 22 May 1978.

Mr. Bixby: General Harper's "philosophy" is that we (ARRCOM) should load and catalog ALL items we have and make them available to all customers. Those which may be of limited issue potential should also be "loaded" to the NSNMDR, but could be coded as "controlled" items.

General Harper does not want any major changes in the ARRCOM organizations; he has been resisting this for more than a year now. In this regard, General Harper felt that Recommendation "a" (Retain Existing Alignments) was ok. Regarding Recommendation "b" (Transfer DRSAR-PD items to NICP's only for Sales/Demands), General Harper questioned what the "population" and "frequency" were in this area. He contacted COL Belcher by phone and made several inquiries. Responses indicated that DRSAR-PD has approximately 3600 items in Industrial Stock at any one time, of which approximately 3500 are "Ammunition" (the balance are mostly raw materials, such as Optical Glass, chemicals, etc). "Demands" on DRSAR-PD's Industrial Stocks are mostly Army and "off-line" (non-ALPHA). They are primarily for production requirements. Regarding Recommendation "h" (Cease sales of items not assigned to ARRCOM), General Harper asked for specific examples. (M14 Rifle, some Pistols, White Holsters, M61 Machine Gun, and GSA/DIA supplies.)

General Harper indicated that he had been "prepared to approve" the study and recommendations, but the more we discussed them individually, the more "frustrated" he became. He directed that the involved directors be tasked to review the study document and respond, within 10 days, to each recommendation. He further directed that the directors should address the "Philosophy of Cataloging"-should we or shouldn't we load and catalog all items and what are the "system" impacts of doing so.

General Harper directed that the "same group" (SAG/attendees) return with the results of the staffing comments for a discussion meeting at which time he will make his "decisions". This will be followed by a meeting with the directors and then finally submitted to the CG.

Mr. O'Melia: General Harper directed that the "revised report" be staffed to "prior commentators" (functional directors and SAG) for specific review and comment. Responses are to be submitted to DRSAR-PP within 10 working days (by implication and precedence, per Mr. O'Melia).

DRSAR-PPC

SUBJECT: Notes from Deskside Briefing: Study on Centralized versus Decentralized Item Management in HQ, ARRCOM, 19 May 1978
(Notes from meeting attendees, in addition to those cited in Mrs. Hansen's MFR of 19 May 1978)

Mr. Rubin: General Harper asked: "What happens to the "system" if you transfer Industrial Stocks, APE and FAITE to the NICP's?" He appeared to be concerned with the system consequences and personnel implications of the study recommendations (if approved).

General Harper indicated an inclination for the world, catalog ALL items, put all items in ALPHA (with a header): "You can't sell what you don't catalog".

General Harper wanted "examples" of "non-ARRCOM" items sold (ref. Recommendation "h").

In regards to Recommendation "g(3)", page viii (Standard procedures for "off-line" transactions), General Harper said "The answer is: Don't go off-line!"

General Harper directed staffing of the "revised" study report, to be responded within 10 working days. Each director to respond individually to each of the recommendations in the Executive Summary and further to address their individual "philosophy on cataloging" (CCSS processing and MCN/NSN assignments) for APE, FAITE, IL items, and DRSAR-PD's Industrial Stocks.

DRSAR-PP

19 May 78

MEMORANDUM FOR RECORD

**SUBJECT: Task Force Study on Centralized Item Management Within
HQ, AERCOM**

1. The proposed final report of subject study was presented to the Deputy Commanding General at 1600, on 19 May 78. The following were present:

Mrs. Isabelle Hansen, DRSAR-PP
COL D. P. Kelly, DRSAR-AS
Mr. D. O'Melia, DRSAR-MS
Mr. S. Olson, DRSAR-SA
Mr. J. Hill, DRSAR-PT
Mr. H. Rubin, DRSAR-CP
Mr. Don Bixby, DRSAR-PP

2. Mr. Bixby reviewed the proposed final report and explained to the DCG that several of the functional directorates impacted by report recommendations had not concurred or had only partially concurred with the report recommendations. Comments from these directorates were included as Appendix I.

3. At the conclusion of the desk-side briefing the Deputy Commander directed DRSAR-PP to task each involved director to provide comments on the proposed final report within 10 days from 19 May 78. The DCG desires that each director respond to each recommendation contained in the final report and address the philosophy of cataloging; i.e., do we or don't we catalog industrial components, APE, and FAITE; do we or don't we enter into CCSS the industrial components, APE, FAITE, and any other miscellaneous non-cataloged items for which we have demands, either internal or external.

4. The DCG requested that the same team making the presentation to him on 19 May 78 return with comments from the involved directors and present these comments for his review.

5. A command decision will be made on the report recommendations after review of all pertinent directorate comments.

ISABELLE HANSEN
Chief, P&P Policy and Plans Office

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PPC	Taskforce Study on Centralized versus Decentralized Item Management within HQ, ARRCOM.
TO SEE DISTRIBUTION	FROM DRSAR-PP
DATE 10 May 1978 CMT 1	
Mr. Bixby/jrh/6414	

1. Reference is made to:

- a. DF, DRSAR-PP, 10 Mar 78, SAB.
- b. DF, DRSAR-PP, 21 Apr 78, SAB.

2. Reference 1a DF transmitted draft copies of subject report to addressees, and requested your review and comments on the document.

3. Comments provided were considered by the Study Advisory Group and the Primary Working Group, and the draft report revised as appropriate.

4. Reference 1b transmitted revisions and additions for updating addressees copies of subject document. A list of the individuals within each organizational element who have physical custody of the revised report is attached as Inclosure 1.

5. Subject revised report was briefed to General Harper on 19 May 78. General Harper directed that each involved Director/Office Chief (addressees) be asked to review the revised study report and provide written comments within 10 calendar days, i.e. - NLT COB 30 May 78. Responses will be by CMT 2 to DRSAR-PP, attention Mr. Bixby (6414/6602).

6. The following specific areas of response were directed by General Harper:

- a. Each director (addressee) will respond to each recommendation contained in the final report (revised version per reference 1b).
- b. Each director (addressee) will address the philosophy of cataloging; i.e., do we or don't we catalog industrial components, APE, and FAITE; do we or don't we enter into CCSS the industrial components, APE, FAITE, and any other miscellaneous non-cataloged items for which we have demands, either internal or external.

7. Additional areas of consideration would include:

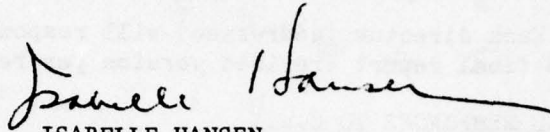
- a. What happens to the "system" if you transfer industrial stocks, APE, and FAITE to the NICP's.

22 MAY 1978

DRSAR-PPC

SUBJECT: Taskforce Study on Centralized versus Decentralized Item Management
Within HQ, ARRCOM.

b. What is the "population" and "frequency" of non-Army demand actions on non-cataloged items.



ISABELLE HANSEN

Chief, P&P Policy and Plans Office

1 Incl
as

DISTRIBUTION:

DRSAR-AS

DRSAR-CP

DRSAR-DA

DRSAR-IL

DRSAR-MA

DRSAR-MM

DRSAR-MS

DRSAR-PD

DRSAR-PT

DRSAR-QA

DRSAR-SA

Responses to DF, 22 May 78, Requesting Staff Review
and Comments of Revised Study on
"Centralized versus Decentralized Item Management
Within HQ, ARRCOM"

PARAGRAPH 6.a., AREA OF RESPONSE:

6.a. Each director (addressee) will respond to each recommendation contained in the final report (revised version per reference 1b).

GENERAL RESPONSES TO 6.a.:

DRSAR-AS. No comment. (See "General Comments".)

DRSAR-CP. All recommendations contained in the final report are concurred in. However, significant modification in operating detail would be required if, after review of comments from the directors concerned, it is determined that (1) cataloging and broadcasting all items ARRCOM has for sale, and/or (2) transferring APE, FAITE, and industrial components to the NICP's are desirable and feasible.

DRSAR-DA. Gave specific responses. (See individual "Recommendations".)

DRSAR-MA. Gave specific responses. (See individual "Recommendations".)

DRSAR-MM. Gave specific responses. (See individual "Recommendations".)

DRSAR-MS. No comment. (See "General Comments".)

DRSAR-IL. Gave specific responses. (See individual "Recommendations".)

DRSAR-PD. Gave specific comments. (See individual "Recommendations".)

DRSAR-PT. Gave specific comments. (See individual "Recommendations".)

DRSAR-SA. No comment. (See "General Comments".)

DRSAR-QA. Gave specific comments. (See individual "Recommendations".)

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

a. Retain present HQ, ARRCOM organizational structure overall, specifically continuing current alignment for materiel management.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur with retention of current HQ, ARRCOM organizational structure under phase I of the Single Manager mission, functions, and organizational structure for all elements of the headquarters should be examined in conjunction with implementation planning for Phase II.

DRSAR-MA. Concur that ARRCOM should retain the present organizational structure.

DRSAR-MM. Concur. This recommendation, if properly interpreted, opts for the "status quo" alternative with no change in organizational structure or materiel management responsibilities. This perpetuates the decentralized management of assigned ARRCOM commodities into groups which are better controlled because of their unique nature or use. It is important to note that the definitions developed by the study group play key roles in the literal interpretation of the recommendations. The key phrase in this first proposal is "materiel management" which is defined for the purpose of this study as being a "general term for overall management of supplies..." with item/inventory management being a major function thereof. It may be concluded, therefore, that the overall management responsibilities for FATE, APE, and Industrial Components will remain with DRSAR-QA, DRSAR-MA, and DRSAR-PD, respectively (to include item/inventory management functions). The primary issue now appears to be the incorporation of these techniques into the CCSS system which will be the common denominator for ARRCOM materiel management.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Concur. Present organizational structure serves in the best interest of good management practices and procedures.

DRSAR-PT. Concur that the present organizational structure be retained. Subject study does not warrant organizational alteration.

DRSAR-SA. Concur.

DRSAR-QA. Concur, since inventory management of FATE is currently centralized within DRSAR-QA.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

b. Transfer DRSAR-PD industrial components to DRSAR-MM and DRSAR-DA, as appropriate, only for management of sales/demands or as required for Renovation.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Nonconcur with transfer of industrial components to DRSAR-DA "only for management of sales/demands or as required for renovation." If we are to continue with the current organizational structure of decentralized inventory management, then the organization performing that function should be responsible for the total HQ, ARRCOM mission for its assigned mission, i.e., price and availability inquiries, IL cases, retail requisition processing, and requirements determination and supply support of renovation.

DRSAR-MA. Nonconcur with the transfer of PD industrial components to MM and DA if such a transfer implies that the Maintenance Directorate would have to support these industrial components as though they were field service stocks. The Maintenance Directorate should not be required to prepare renovation procedures, demil procedures or to program dollars for renovation or demilitarization programs for stocks which are basically industrial components.

DRSAR-MM. Nonconcur. A "portion" of management functions cannot be effectively transferred and coded within the CCSS. To accomplish system billing and data accumulation, an item must be assigned an MCN/NSN with an appropriate analyst code (inventory manager). Thereafter, the CCSS procedures take over and transaction data is automated, with input/output flowing to and from the inventory manager. Management of demands is automated for the most part for accumulation and histories. Rejects for manager actions or screening demands for authorizations is a manual effort and must be accomplished by the inventory manager. Sales, on the other hand, requires the quotation of "price and availability" which must be formulated by the inventory manager off-line. By assignment of management responsibilities for sales/demands to DRSAR-DA and/or DRSAR-MM, with the overall materiel management responsibilities remaining in DRSAR-PD, a climate of total confusion and duplication of effort can be accurately predicated. In addition to the above, another "key" definition within the context of the study is management. The Appendix D definition states that "manage is defined as the six basic functions of an item/inventory manager." This recommendation results in further decentralization and is, therefore, self-defeating and not supported by the study conclusions.

DRSAR-MS. No specific comments. (See "General comments".)

DRSAR-IL. Concur

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION b. - Cont'd

DRSAR-PD. Concur. This procedure has already been implemented to a great degree, but total implementation by DRSAR-DA and DRSAR-MM must occur provided resources are made available. A special emphasis must be placed on the area of raw materials for Foreign Military Sales (FMS). Moving of these materials into the NICP records for further delivery to the customer would support the automated billing process of CCSS.

DRSAR-PT. Recommendations b through e. These recommendations state that, for those items now extrinsic to the CCSS, managed in DRSAR-PD-MA-QA:

- (1) Inventory management of sales/demands be via the NICP.
- (2) DRSAR-PD-MA-QA retain management of assigned materiel for the primary concern of those managers, e.g., supply raw materials and components for production of end items, provide Ammunition Peculiar Equipment (APE) to depots for ammunition surveillance/renovation/demilitarization, provide gages and test equipment for industrial and proving ground testing, etc.

Most properly, comments referable to these recommendations are under the purview of affected directorates. However, the recommendations appear to be a logical assignment of responsibilities.

DRSAR-SA. Concur, with the reservation that details of how both NICP control and Production manager control of these components would be spelled out.

DRSAR-QA. Concur.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

c. Retain management of DRSAR-PD industrial components in DRSAR-PD for all "Production" inventories.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Nonconcur in retention of management in DRSAR-PD for "production" inventories. DRSAR-PD should have full inventory management responsibility for industrial components. This eliminates dual management on the same items.

DRSAR-MA. Concur.

DRSAR-MM. Nonconcur. A "portion" of management functions cannot be effectively transferred and coded within the CCSS. To accomplish system billing and data accumulation, an item must be assigned an MCN/NSN with an appropriate analyst code (inventory manager). Thereafter, the CCSS procedures take over and transaction data is automated, with input/output flowing to and from the inventory manager. Management of demands is automated for the most part for accumulation and histories. Rejects for manager actions or screening demands for authorizations is a manual effort and must be accomplished by the inventory manager. Sales, on the other hand, requires the quotation of "price and availability" which must be formulated by the inventory manager off-line. By assignment of management responsibilities for sales/demands to DRSAR-DA and/or DRSAR-MM, with the overall materiel management responsibilities remaining in DRSAR-PD, a climate of total confusion and duplication of effort can be accurately predicted. In addition to the above, another "key" definition within the context of the study is management. The Appendix D definition states that "manage is defined as the six basic functions of an item/inventory manager." This recommendation results in further decentralization and is, therefore, self-defeating and not supported by the study conclusions.

DRSAR-MS. No specific comments. (See "General comments".)

DRSAR-IL. Concur

DRSAR-PD. Concur. To do so otherwise would attenuate the individual production manager's responsibilities and seriously hamper his production management flexibility and responsiveness. This is further discussed under "additional areas of consideration" later in this reply.

DRSAR-PT. Same as b.

DRSAR-SA. Concur, with same reservation as 1b above.

DRSAR-QA. Concur.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

d. Assign NICP inventory managers to manage any FATE or APE items and industrial components supplied through the NICP's.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Nonconcur. Inventory managers for FATE or APE items should remain with the current assigned organizations. However, these items should be loaded to CCSS to facilitate retail demand processing, financial inventory accounting, property accountability, and billing. Again, this will preclude dual managership on the same item within the headquarters.

DRSAR-MA. Recommendation is to assign NICP inventory managers to APE. This recommendation could be interpreted to mean that the Maintenance Directorate should be designated as the NICP for APE and that an inventory manager or managers should be assigned. If this is the recommendation, then we concur and we do have an inventory manager assigned. This recommendation could also be interpreted to mean that APE should be transferred to Defense Ammunition or Materiel Management Directorate. Nonconcur with this later interpretation since there is no basis in the study to sustain such a recommendation.

DRSAR-MM. Concur, As applies to DRSAR-MM management of FATE and APE items. This proposal, however, if approved, will require personnel realignments and is not consistent with the status quo (Recommendation a).

Nonconcur, As applies to DRSAR-MM management of industrial component items.

DRSAR-MS. No specific comments. (See "General comments".)

DRSAR-IL. Concur, if the intent is for any items requisitioned through MILSTRIP processing.

DRSAR-PD. Concur. See response to recommendation b above insofar as industrial stocks are concerned.

DRSAR-PT. Same as b.

DRSAR-SA. Concur, but the managers should be identified from their current functional areas insofar as they are now performing many of the functions of an internal ARRCOM item manager in DRSAR-MA and DRSAR-QA. The study found that FATE and APE items are currently item managed but are not NICP controlled.

DRSAR-QA. Non-concur. FATE items should not be supplied through NICP's since majority of demands for this materiel originates with industrial producers of ARRCOM managed items as opposed to Army users who are customers of NICP's (See recommendation e below).

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

e. Record, with MCN/NSN, FATE and APE items into the NSNMDR, including appropriate storage locations data, as "demands" are received.

COMMENTS:

DRSAR-AS. No comment (See "General Comments").

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Nonconcur. FATE and APE items should be recorded into the NSNMDR prior to receipt of demands. The use of MCN's should be restricted for use as an interim identification only of the item on the NSNMDR, pending formal assignment of valid stock number. MCN's cannot be used outside the command (e.g., TM's, supply bulletins, etc.) per AR 708-1. The establishment of formal loan records through CCSS is accepted.

DRSAR-MA. Nonconcur. Include two concepts. The first is that all APE items would be recorded in the NSNMDR with an MCN/NSN. The NSN's are not planned to be used for APE and there is no reason to include other APE with MCN's in the NSNMDR except when they are on an IL case. There is a significant amount of work to load an APE item into the NSNMDR and we do not plan to so load them unless there is a specific reason requiring the load. The second part of recommendation says to include the appropriate storage location data in the NSNMDR and we have no plan to load this data for all items and no reason to load it since we have no way of automatically using such data.

DRSAR-MM. Concur. This approach of recording items into the NSNMDR as demands are received, will minimize workload and hold the number of files records to a more manageable level. Of concern to this Directorate, however, is "who" will record these items. Approval of recommendation d will result in the NICP managers being responsible and subsequently recorded as the inventory manager responsible for the six primary functions. That part of the recommendation dealing with corrective actions to external command records; e.g., TM's, SB's, etc., will become the responsibility of DRSAR-MA and should be evaluated in terms of cost effectiveness. The establishment of formal loan procedures should follow closely the existing regulatory guides used for standard items.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. The Production Directorate is not involved in transactions concerning FAITE (DRSAR-QA) or APE (DRSAR-MA); however, the recommendation does appear sound based upon discussions with knowledgeable personnel within this directorate.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION e. - Cont'd

DRSAR-PT. Same as b.

DRSAR-SA. Concur.

DRSAR-QA. Concur in recording FATE items managed by DRSAR-QA into the NSNMDR with an MCN as IL/MIPR demands are received. Information recorded would not include storage locations since supply to IL/MIPR customers should continue to be from industrial accounts (central inventory) under centralized management of DRSAR-QA.

Procedures for assignments of MCN's have been developed and furnished to DRSAR-QA and training of DRSAR-QA inventory managers on these procedures has been accomplished. Information recorded in NSNMDR and related files under these procedures will be sufficient to accomplish billing for items supplies to IL/MIPR customers.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

e.(1) Initiate action to correct, with the assigned MCN/NSN, any records outside of the Command, (e.g., TM's supply bulletins, etc.).

COMMENTS:

DRSAR-AS. No comment (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Nonconcur. (See e. above).

DRSAR-MA. Nonconcur. Paragraph (1) indicates Maintenance should initiate action to identify APE MCN and NSN's in any records outside the command, for example, technical manuals supply bulletins, etc. This recommendation is not concurred in since it is in direct opposition to the HQ AMC direction to not use stock numbers for ammunition peculiar equipment. Incl 2 provides reasons for this.

DRSAR-MM. See e. above.

DRSAR-MS. No specific comments. (See "General Comments.")

DRSAR-IL. Initiate action to correct with the assigned NSN only, any records outside of the command; e.g., TM's, supply bulletins, etc. In accordance with AR 708-1, paragraphs 3-5c and 3-5d which are quoted below, the action should not be taken with MCN's.

"c. An MCN is intended for internal use only and will not be used for item identification purposes in official publications, except as a reference number associated with a part number or NSN in the Reference and History File, AMDR. (See paragraph 3-7d(4). An MCN may be used in any local document, as an aid in identification, provided the document does not leave the local activity assigning the MCN, except as provided in paragraph f below.

"d. MCN's will not be shown in:

- (1) Supply catalogs.
- (2) The Army Master Data File (AMDF), and microfilm products developed therefrom, except as stipulated in paragraph 3-7d(4).
- (3) Technical manuals.
- (4) Repair parts and special tools lists (RPSTL).

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION e.(1) - Cont'd

- (5) Technical bulletins.
- (6) Modification work orders.
- (7) Procurement documents.
- (8) Procurement work directives (if disseminated externally).
- (9) Requisitions/requests.
- (10) Materiel release orders.
- (11) Prepositioned materiel receipt card.
- (12) Shipping documents.
- (13) Supply bulletins or related information letters.

DRSAR-PD. Same as e.

DRSAR-PT. Same as b.

DRSAR-SA. Same as e.

DRSAR-QA. Items managed by DRSAR-QA do not appear in publications such as TM's and supply bulletins, since they are not items of issue to using units.

Assignment of MCN locally should not require updating of Technical Data Packages which reflect the part number designation of QA items since this would require action by other Commands (i.e., ARRADCOM).

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

f. DRSAR-IL should under no circumstances be recorded or act as Inventory Manager for any item (no MCN/NSN actions by DRSAR-IL).

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur. The headquarters' element having inventory management responsibility for the item, i.e., DRSAR-DA, DRSAR-MM, DRSAR-PD, DRSAR-MA, or DRSAR-QA, should perform all inventory management functions for their assigned items to include processing IL actions. The determination of which items are assigned to this command can only be ascertained by DRSAR-IL by their presence on the NSNMDR.

DRSAR-MA. No comment.

DRSAR-MM. Concur. This Directorate fully supports the concept of centralization of item management for these items. Primary areas of concern in implementation of this proposal, however, are: (1) Identification of items to be transferred and any available history, (2) Resources to accomplish the required "off-line" processing and accommodate the added workload.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Concur. Management responsibility within DRSAR-IL should be at the sales case level only and should be for the purpose of coordinating deliveries to their customers. Inventory management per se would therefore not be applicable.

DRSAR-PT. Concur that DRSAR-IL personnel should under no circumstances be recorded or act as an inventory manager. This is in consonance with the mission and functions of DRSAR-IL as enumerated in ARRCOMR 10-1.

DRSAR-SA. Concur.

DRSAR-QA. Concur.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

f.(1) DRSAR-IL should "clear" themselves of all previously "loaded" (approximately 300) item responsibility, transferring all items to DRSAR-MM and DRSAR-DA as appropriate.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Concur (See f. above).

DRSAR-MA. No comment.

DRSAR-MM. See f. above.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as f.

DRSAR-PT. Same as f.

DRSAR-SA. Same as f.

DRSAR-QA. Same as f.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATIONS:

f.(2) DRSAR-IL should henceforth offer/accept and handle, in Cases, only items assigned to this command; unless specifically directed by higher HQ, and then process these "non-ARRCOM-assigned" items manually off-line.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Concur. (See f. above)

DRSAR-MA. No comment.

DRSAR-MM. See f. above.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. There are items for which ARRCOM does have management responsibility but for which item management responsibility has not been assumed.

International Logistics Directorate has many cases for which foreign customers are requesting support for ammunition plants which have been set up under the sponsorship of the US Government. For example, there are currently four cases for the country of Thailand and one case for the Philippines representing 36] lines of industrial plant equipment (IPE) for which this directorate has been trying unsuccessfully to determine a manager. In an attempt to resolve this, Mr. Oldefest, DRSAR-ILM-A, and Mrs. Williams, DRSAR-ILO-R, attended a meeting with Mr. John Krohn, DRSAR-PCA, on 4 May 1978. We discussed, at length, the problems that have been encountered when attempting to obtain price and availability (P&A) for IPE. Mr. Krohn recognized the problem and after much discussion we concluded that before any relief could be expected the following questions should be answered:

- a. Who is the item manager?
- b. How do we locate existing equipment?
- c. Who does this?
- d. How do we estimate rebuild? (DIPEC Equip)
- e. Who makes the decision to buy new?
- f. Who makes estimates of new cost?

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATIONS f.(2) - Cont'd

- g. Who provides scope of work?
- h. Who will accept?
- i. Who will furnish packaging instructions?
- j. Who will prepare acceptance criteria?
- k. Who will furnish drawings and specifications for special tooling and gauges?
- l. Not used
- m. Who will screen for GSA?

There should be a means of recording all MILSTRIP demands in history utilizing the CCSS.

DRSAR-PD. Same as f.

DRSAR-PT. Same as f.

DRSAR-SA. Same as f.

DRSAR-QA. Same as f.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATIONS:

g. Standard procedures should be developed for all item managers regardless of location throughout the Command.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Concur with subparagraphs (1) and (5). Nonconcur with subparagraphs (2), (3), (4), (6), and (7). (Responses specifically address individual subparagraphs.)

DRSAR-MA. Paragraph g. indicates that standard procedures should be developed for all item managers and that CCSS (NSNMDR) should be used when applicable. Concur in general, nonconcur in some parts or subparagraphs.

DRSAR-MM. Nonconcur. Standard procedures for all item/inventory managers regardless of location is an almost impossible task. Again, the common denominator is the CCSS Operating Instructions, but only to the degree to which the system is utilized. By virtue of decentralizing item/inventory management functions based on peculiarities of items managed, the operating procedures themselves must be developed to accommodate organizational and item differences.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Concur. With respect to acquisition of NSNs or MCNs, an informal procedure has been written by the ABC System NSN/MCN Task Team and presented as a proposal to DRSAR-MM cataloging personnel. The Production Directorate strongly supports the establishment of standard procedures and will enforce those procedures internally through directorate management channels.

DRSAR-PT. Concur that standard procedures should be developed for all item managers. This is especially relevant for those items not now managed by DRSAR-MM/DA. Standard procedures would abet utilization of the CCSS.

DRSAR-SA. Concur, except that the objective should be to handle no transactions off-line. Cataloging should remain centralized and perform centralized cataloging for all ARRCOM lines.

DRSAR-QA. Concur in establishing standard procedures and adhering to CCSS procedures, when applicable. As indicated under recommendation e, response, procedures have been developed for non-standard items (FATE) managed by DRSAR-QA which will provide for establishing MCN for IL or MIPR demand items only in order to effect billing through CCSS. Shipments will be non-CCSS transactions. Training of QA managers has been provided in the preparation of certain portions of DRSAR Form 19 to allow for coordination with DRSAR-MA and DRSAR-MM for item cataloging and assignments of MCN's.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATIONS:

g.(1) CCSS procedures, when applicable, must be adhered to.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Concur.

DRSAR-MA. Concur; however, it is not obvious that CCSS (NSNMDR) is applicable to APE inventory management.

DRSAR-MM. Concur. No discussion.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

g.(2) Very specific standard procedures should be developed for non-standard items, especially those which do not have NSN's or MCN's, which are being sold through DRSAR-IL and MIPR's.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Nonconcur. All items can and should be processed through CCSS. The only DRSAR-IL and MIPR actions processed outside of CCSS should be requested services.

DRSAR-MA. The paragraph (2) under paragraph g. indicates very specific standard procedures should be developed for nonstandard items and this is concurred with as long as the specific standard procedure is tailored to the requirement for the management of the item for which it is written.

DRSAR-MM. Concur. Standard procedures in this area of management are possible as they relate to a common system and/or catalog activity.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur; however, a firm definition of nonstandard items needs to be agreed to by all concerned. For example, are nonstandard items only those which meet the following definition (as described in AR 315-25):

Nonstandard Military Property - Property which is restricted in design and utility to the military service but which has never been processed for standardization by an Army technical committee.

Nonstandard Commercial Property - Property which has civilian or commercial application but which has never been processed for standardization by an Army technical committee.

If this is true, then what type items are those for which many demands have been received, appear in TM's, etc., have been processed for standardization by an Army technical committee but for which NSN's have not been assigned?

DRSAR-PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

g.(3) Establish and enforce standard procedures for all "off-line" (manual and non-CCSS) transactions.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Nonconcur. Not required for items, only required for services.

DRSAR-MA. Implied concur. No specific comment.

DRSAR-MM. Nonconcur. The nature of transactions which require them to be worked "off-line" precludes standardization of procedures beyond organization boundaries.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. See paragraph f(2) above.

DRSAR-PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a

RECOMMENDATION:

g.(4) Process all "non-standard" items off-line unless the item has been assigned an MCN/NSN and properly loaded to the NSNMDR.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Nonconcur. Same as (3).

DRSAR-MA. Implied concur. No specific comment.

DRSAR-MM. Concur. No discussion.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. See paragraph g (2) above.

DRSAR-PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

g.(5) Provide guidance, procedures, and training of all item managers for processing sales transactions, especially for managers of non-standard items.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Concur.

DRSAR-MA. Implied concur. No specific comment.

DRSAR-MM. Concur without additional comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR- PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

g.(6) All formal item cataloging should be accomplished by either DRSAR-MM or DRSAR-DA, as appropriate, in coordination with DRSAR-MA (for initiation and approval of DRSAR Form 19's when required).

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6.a.")

DRSAR-DA. Nonconcur. The term "formal cataloging" connotates the acquisition and recordation of an NSN in DLSC; this is a DRSAR-MM function in support of all HQ, ARRCOM inventory managers. All inventory managers should coordinate cataloging actions with DRSAR-MA.

DRSAR-MA. Nonconcur. Subparagraph g.6; states that all formal item cataloging should be accomplished either by DRSAR-MM or DRSAR-DA in coordination with DRSAR-MA. Two different subjects apply here. First of all we do not want to go to formal cataloging on APE as previously stated and therefore do not need to have either DRSAR-MM or DRSAR-DA do cataloging. DRSAR-MA does initiate form 19 on field service stock which is being loaded for establishment of NSN's, however, we are not responsible nor staffed to undertake a substantial workload to load all other items.

DRSAR-MM. Concur without additional comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

g.(7) All MCN assignments should be cleared through, and all new NSN's should be requested by, DRSAR-MM in coordination with DRSAR-MA.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See General Responses, 6.a.)

DRSAR-DA. Nonconcur. Same as (6).

DRSAR-MA. Nonconcur. Paragraph g.7 would require that all MCN assignments would be in coordination with DRSAR-MA. There is no reason that MCN requirements require coordination with DRSAR-MA.

DRSAR-MM. Concur without additional comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as g.

DRSAR-PT. Same as g.

DRSAR-SA. Same as g.

DRSAR-QA. Same as g.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

h. Cease customer order acceptance, procurement, and sales of items not assigned to ARRCOM, unless specifically directed by higher authority. No customer demand (Army external) orders will be processed for items for which ARRCOM is not or cannot be assigned as PICA, specifically ceasing sales/management of other PICA's items, subject to the following conditions and exceptions:

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur with subparagraphs (1) through (3). Nonconcur with subparagraph (4). These demands should be processed on-line.

DRSAR-MA. No specific comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Non-concur.

(1) MIPR Non-consumable items that were assigned to ARRCOM (ASPR Section V, AR 715-15) for consolidated procurement (with attendant production, engineering and configuration management) will still require acceptance and processing within this HQ.

(2) This is an absolute necessity due to the commonality of various weapons that have had indiscriminate PICA assignments fragmented between all 4 services by implementation of Phase I AR 700-99.

(3) In order to accomplish this, the customer peculiar MIPR items NSN must be "loaded" into the NSNMDR for compatibility with CCSS and facilitate automated billing. This is further discussed in sub-paragraph 1 to follow.

DRSAR-PT. Concur that ARRCOM should cease customer order acceptance, procurement, and sales of items not assigned to ARRCOM, unless specifically directed by higher headquarters. This is common sense.

DRSAR-SA. The study avoided the question of what constitutes an ARRCOM item. Presumably ARRCOM can supply to a customer upon demand any item on hand which is not supplied by any other agency as determined by a cataloging screening. If ARRCOM honors the demand, the item should go on-line.

DRSAR-QA. Concur.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

h. (1) A thorough screening through DLSC should be accomplished on all items for FMS cases and MIPR's to ensure that this command is not buying, for resale, items which are managed (as PICA) by another command or agency.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur.

DRSAR-MA. No comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as h.

DRSAR-PT. Same as h.

DRSAR-SA. Same as h.

DRSAR-QA. Same as h.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

h. (2) Demand may be processed for items for which ARRCOM is the SICA and has received formal procuring authority.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur.

DRSAR-MA. No comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (SEE "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as h.

DRSAR-PT. Same as h.

DRSAR-SA. Same as h.

DRSAR-QA. Same as h.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

h. (3) Demands may be processed for items on which the PICA assignment is in dispute by this headquarters or action is being taken to transfer the item assignment to ARRCOM from another PICA.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur.

DRSAR-MA. No comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Same as h.

DRSAR-PT. Same as h.

DRSAR-SA. Same as h.

DRSAR-QA. Same as h.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

h. (4) In situations 2 and 3 above, item demands should normally be processed manually off-line.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Nonconcur. These demands should be processed on-line.

DRSAR-MA. No comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Nonconcur. There should be a means of recording these demands in history.

DRSAR-PD. Same as h.

DRSAR-PT. Same as h.

DRSAR-SA. Same as h.

DRSAR-QA. Same as h.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

i. Clarification of AR 710-1 should be obtained in the question of the application of formal Integrated Inventory Management (NICP) of "industrial" items.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. The elements of integrated materiel inventory management (cataloging direction, requirements computation, procurement direction, distribution management, maintenance direction, and materiel utilization direction) pertaining to the control of an item, category, or group of items, will be established as a single integrated operation. The integrated operation will be identified as the NICP (national inventory control point) for the designated items. Each item of materiel required for either military or industrial use, regardless of the manner of acquisition, will be assigned to but one commodity manager.

(1) An NICP will be so organized as to insure the integration of the basic elements. The management of materiel by that NICP will be in terms of the complete responsibilities for those elements.

(2) The subordinate segments of an NICP will be so organized as to retain the mission composed of the basic elements.

With the retention of the current organizational structure, HQ, ARRCOM will have four directorates performing NICP functions for their assigned items to include "industrial" items; e.g., DRSAR-DA, DRSAR-MM, DRSAR-MA and DRSAR-QA.

DRSAR-MA. No specific comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Concur

DRSAR-PD. Concur. A minireview of AR 710-1 has been conducted by this directorate. It is the Production Directorate's position that the regulation was not written with "industrial" inventories in mind; therefore, we agree that clarity should be sought to alleviate any possible misinterpretations.

DRSAR-PT. Comments concerning clarification of AR 710-1 should come from those elements directly concerned with inventory management.

DRSAR-SA. Only an internal ARRCOM clarification may be needed. The AR 710-1 is clear as written.

DRSAR-QA. Concur, since it appears that DRSAR-QA managed items do not qualify for formal integrated inventory management due to the classification of users of this equipment.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

j. Fully implement the approved recommendations of the study on "Delivered-Unbilled Shipments Deficiencies", including full implementation of the COCP.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur.

DRSAR-MA. No specific comment.

DRSAR-MM. Concur. No comment.

DRSAR-MS. No specific comments. (SEE "General Comment".)

DRSAR-IL. Concur

DRSAR-PD. Concur. It is of utmost importance that ARRCOM assume a successful corporate image in the eyes of both the taxpayer and our customers. Full implementation of the recommendations of the study referred to is essential to gain that image.

DRSAR-PT. Concur that the recommendations of the "Delivered-Unbilled Shipments" study be implemented.

DRSAR-SA. Concur.

DRSAR-QA. Concur.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

k. Partial centralization, as described in paragraph 3b(1)(e) Chapter 4, should be considered for separate future study subsequent to "fully implemented" actions under Current Alignment. This future study, if performed, should specifically address:

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur. This study should be incorporated into the Single Manager Phase II planning effort for conventional ammunition and associated materiel.

DRSAR-MA. Nonconcur. Paragraph k.1.a recommends the transfer of APE inventory management items and personnel from DRSAR-MA to DRSAR-DA. This recommendation is not concurred with and neither do we concur in further study of this alternative since there is nothing in the present study which would indicate any advantage to such a transfer; as a matter of fact, it conflicts with the basic recommendation of this study which is to leave the item management where it presently is organizationally assigned.

DRSAR-MM. Nonconcur. This Directorate is the appropriate NICP for both APE and all FATE items, not DRSAR-DA. They are not ammunition and management of these items is similar to that performed on many nonstandard items currently managed by DRSAR-MM.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Nonconcur. "Total centralization" would allow for the close coordination/management required by Product Assurance and Maintenance Directorates. Backup data and history could be maintained and there would be less chance of duplication because of the items "getting lost in the system." Personnel turnover would have less impact when totally centralized.

DRSAR-PD. Concur. An additional study, specifically addressing APE and FAITE, may well prove that a better combination for management may exist in lieu of the current alignment. The Production Directorate cannot offer further comment due to non-involvement with either APE or FAITE.

DRSAR-PT. Do not concur that partial consolidation should be considered for separate future study. Implementation of the approved recommendations of the "Delivered-Unbilled Shipments" study, and this study, should negate the need for further study.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION: k. - Cont'd

DRSAR-SA. Non concur. The items could be entered into the system with their corresponding item managers designated in DRSAR-MA or DRSAR-QA where appropriate. These item managers would function similarly in the way DRSAR-MM and DRSAR-DA item managers do. There should be no staffing impacts.

DRSAR-QA. Non-concur. DRSAR-QA does not feel that another study of inventory management would be of value. Inventory management of FATE is centralized within DRSAR-QA which provides optimum capability for performance of QA missions in support of procurement and production. Sufficient input was provided to subject study and previous responses to justify retention of FATE inventory management within DRSAR-QA.

RECOMMENDATION:

k. (1) Transfer of personnel and items into the appropriate NICP to bring all formal inventory management into the CCSS and NICP Centralized Inventory Management environment.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur. (Same as k.)

DRSAR-MA. Nonconcur.

DRSAR-MM. Nonconcur. This Directorate is the appropriate NICP for both APE and all FATE items, not DRSAR-DA. They are not ammunition, and management of these items is similar to that performed on many Nonstandard items currently managed by DRSAR-MM.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. See k above.

DRSAR-PD. Same as k.

DRSAR-PT. Same as k.

DRSAR-SA. Same as k.

DRSAR-QA. Same as k.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

k. (1) (a) Transfer DRSAR-MA's APE Inventory Management (items and personnel) to DRSAR-DA.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur. (Same as k.)

DRSAR-MA. Nonconcur.

DRSAR-MM. Nonconcur. This Directorate is the appropriate NICP for both APE and all FATE items, not DRSAR-DA. They are not ammunition and management of these items is similar to that performed on many nonstandard items currently managed by DRSAR-MM.

DRSAR-MS. No specific comments. (SEE "General Comments".)

DRSAR-IL. See k above.

DRSAR-PD. Same as k.

DRSAR-PT. Same as k.

DRSAR-SA. Same as k.

DRSAR-QA. Same as k.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

k. (1) (b) Transfer DRSAR-QA's FATE Inventory Management (items and personnel) to DRSAR-MM and DRSAR-DA as appropriate.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur. (Same as k.)

DRSAR-MA. Nonconcur.

DRSAR-MM. See k. above.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. See k above.

DRSAR-PD. Same as k.

DRSAR-PT. Same as k.

DRSAR-SA. Same as k.

DRSAR-QA. Same as k.

SPECIFIC RESPONSES TO 6.a.

RECOMMENDATION:

k. (2) Definitive evaluation of staffing requirements for DRSAR-MM and DRSAR-DA.

COMMENTS:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Concur. (See "General Responses, 6a")

DRSAR-DA. Concur. (Same as k.)

DRSAR-MA. Nonconcur.

DRSAR-MM. See k. above.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. See k above.

DRSAR-PD. Same as k.

DRSAR-PT. Same as k.

DRSAR-SA. Same as k.

DRSAR-QA. Same as k.

PARAGRAPH 6b, AREA OF RESPONSE:

6.b. Each director (addressee) will address the philosophy of cataloging; i.e., do we or don't we catalog industrial components, APZ, and FAITE; do we or don't we enter into CCSS the industrial components, APZ, FAITE, and any other miscellaneous non-cataloged items for which we have demands, either internal or external.

RESPONSES:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. The single concern of this office in the area of cataloging is that all items on sales orders be identified by a valid MCN/NSN to permit automatic billing through CCSS processing. As indicated in paragraph 2d(10), page 3-15, of the study report, this concern is in process of being satisfied through current efforts to implement the approved recommendations of the "delivered-unbilled" task force.

DRSAR-DA. This directorate's philosophy of cataloging is clearly expressed in the comments provided in paragraph 1 in response to paragraph 6a of CMT 1. However, to reiterate, all items managed should be cataloged to eliminate misunderstandings relative to description, physical security, sensitivity for storage and transportation, and accountability.

DRSAR-MA. In relation to the question of the philosophy of cataloging, I do not concur that ammunition peculiar equipment should be routinely entered into the CCSS NSNMDR. There are many reasons why ammunition peculiar equipment is not managed with national stock numbers, and the loading of ammunition peculiar equipment to the NSNMDR is a significant workload for which there is little or no value. Reasons for not assigning national stock numbers and for not managing ammunition peculiar equipment as standard items are shown at Incl 2. (See attached.)

For industrial components which are to be sold, I do not concur with the transfer to the Defense Ammunition Directorate or the Materiel Management Directorate from the Production Directorate if this concept implies that such items retained in those field service managers stocks are to be maintained and demilitarized via Maintenance Directorate technical instruction, dollars, and programs. Such industrial stocks should be maintained and demilled (if not required) by the Production Directorate using their money and their technical direction.

Other service demands for ammunition peculiar equipment are presently handled by MIPR and processed through the AMMDEX portions of CCSS at the present time. This processing does not require the establishment of national stock numbers or management control numbers and does not require that the items be loaded to the NSNMDR portion of CCSS.

Concerning the prior studies and procedures developed to handle the international logistic unbilled shipments problem, it may be that we

PARAGRAPH 6b, RESPONSES (Cont'd)

errored in not looking to see if nonstandard items could have been more effectively handled as though they were MIPR requirements and processed in the manner that we handle other service requirements through the CCSS AMMDEX. This may be a fruitful area for consideration since continued problems are occurring in trying to run nonstandard items through the NSNMDR.

DRSAR-MM. This Directorate recommends the recording of all items into CCSS whether they are recorded on an NSN or an ARRCOM permanent assigned MCN or a temporary MCN. Under the status quo approach, definition of responsibilities by ARRCOM organizational entities is mandatory.

DRSAR-MS. No specific comments. (See "General Comments".)

DRSAR-IL. Any item for which a MILSTRIP requisition is received, which can be identified by technical data, technical manual, military specifications, catalogs, etc., and for which supply action will be accomplished by ARRCOM should be entered into the CCSS, with a MCN. If demand history is sufficient, i.e., three demands in a six month period, the item should then be further cataloged resulting in NSN assignment.

DRSAR-PD. With regard to "cataloging" industrial inventories, it is unclear just what is meant by the term with respect to components and materials utilized in production. A sub-task under the System ABC Project entitled "NSN/MCN Acquisition" is now approximately 98% complete. This task encompasses identifying all procureable items in a standard method, i.e., standard nomenclature, standard recognizable number (NSN/MCN), standard unit of measure, etc. These procureable items have been recorded in CCSS files as part of the master data records, i.e., NSNMDR, PMDR. Additionally, they have been recorded in associated "stand alone" automated systems, i.e., Automated Pricing File, Industrial Stock Status Report, 603 Automated Bill of Materials.

Assuming that the term "cataloging" means proper identification and standardization of records such as those mentioned above, as well as the Army Master Data File (AMDF) and the Major Item Data File (MIDF), then the Production Directorate, in coordination with other functional directorates, have already partially "cataloged" industrial components. Through the aforementioned actions, we have facilitated the use of automated systems to assist management in successful mission accomplishments.

The balance of the component/materials yet to be identified in a standard mode, are raw materials for Foreign Military Sales (FMS) and several miscellaneous items that ARRCOM procures for other commands or services. We are currently at somewhat of an impasse for entering these specific miscellaneous items into the CCSS master data records. A good example is the 20mm Auto Gun, M61A1, for which the Air Force has management responsibility and ARRCOM procures at their request. The basic problem with entry into ARRCOM's automated records is the fact that the item is not provisioned by this activity nor is ARRCOM the designated PICA or SICA. However, there are ways that the required data could be entered into our CCSS records without "disturbing" the records of our mission materiel. For example, codes could be developed or a zero provisioning factor could be entered to "set aside" these items as "exceptions". The Production Directorate strongly recommends

PARAGRAPH 6b, RESPONSES (Cont'd)

that DRSAR-MA and DRSAR-MM be "directed" to allow for entry of data into the applicable master data records of CCSS, not only to facilitate ease of documentation preparation, but to fully implement System ABC which already has Command Group approval. When completed, the NSN/MCN Acquisition Task will have identified and standardized all items/components/materials that are repetitively procured; therefore, "cataloging" will have been accomplished to the greatest degree possible.

The Production Directorate offers no comments with regard to APE or FAITE "cataloging" since we are not directly involved.

DRSAR-PT. Items must be cataloged before they can be screened by DLSC, assigned NSNs, and entered into the CCSS.

Subject study advocates entering industrial components. APE, Final Acceptance Inspection and Test Equipment (FAITE), and other non-cataloged items for which we have demands into the CCSS.

Thus, industrial components, APE, FAITE, and other non-cataloged items should be cataloged so that demands for such items can be handled through the CCSS.

DRSAR-SA. In response to questions of paragraph 6b of your request, this directorate believes all the items this command stocks for its own use, and which could be demanded from the outside if it were known we had the item, should be cataloged into the system. The cataloging and screening process would assure an opportunity for proper management of all items.

DRSAF-QA. In determining whether or not to catalog FAITE or other items, specific attention should be directed to the nature of the materiel and its uses.

DRSAR-QA managed items are directly related to the functions of support to procurement and production and the requirements for these items are determined during the development of new items and systems and are documented in the applicable QA portions of Technical Data Packages.

The users of these items are normally industrial producers of other ARRCOM materiel which is subject to formal Integrated Inventory Management by the NICP's.

In order to resolve the problem of delivered-unbilled deficiencies, procedures have been developed to enter into CCSS, DRSAR-QA managed items on a demand basis. However, separate identification and inventory control must be maintained by DRSAR-QA in order to satisfy requirements of industrial users and the provisions of ARRCOMR 700-2 relating to preparation of section I of procurement solicitations.

Since NICP customers will not normally have requirement for this materiel, a wholesale entry of all DRSAR-QA items into CCSS is unnecessary.

PARAGRAPH 6b, RESPONSES (Cont'd)

DRSAR-MA. (Incl 2)

Reasons for not managing ammunition peculiar equipment as standard items with national stock numbers.

1. HQ AMC specified by AMCSV letter, 31 May 73, that national stock numbers will not be assigned to ammunition peculiar equipment and all APE items having NSNs assigned would have the NSN deleted.
2. If ammunition peculiar equipment is managed as a standard item, then the requirements applied to standard items would have to be applied to ammunition peculiar equipment. These additional requirements would be costly to ARRCOM and to the Army, for example:
 - a. Each issue of an ammunition peculiar equipment would require the Commanding General's approval for a materiel release.
 - b. DA TM's would be required.
 - c. All repair parts would require NSN's and management as standard items.
 - d. Configuration control and approval of the item as a standard item would be required.
3. Handling the APE as a standard item would bring a situation where units anywhere could requisition and potentially receive ammunition peculiar equipment even though they have no requirement for these peculiar items.
4. As nonstandard items, the equipment is controlled both by location and configuration by the ARRCOM Maintenance Directorate and the ARRCOM Maintenance Directorate can cause the equipment to be modified or moved to wherever the workload requires. Items which were designed for renovation can be changed and used for demilitarization and vice versa since there are no stock numbers and configuration decisions which require processing of changes, PIPs and MWOs.
5. Since APE are not standard items, we can cause them to be stored or held at various locations (including installation accounts) under our direction without running afoul of regulations which would apply to the management and storage of standardized items.
6. APE program guidance is in one AR, one DARCOM regulation and two TM's as opposed to the myriad regulations which would apply if APE were managed as standard items.

PARAGRAPH 7.a., AREA OF RESPONSE:

7.a. What happens to the "system" if you transfer industrial stocks, APE, and FAITE to the NICP's.

RESPONSES:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. Transfer of industrial components, APE, and FAITE to the NICP's will have no effect on DRSAR-CP's processing of sales orders.

DRSAR-DA. No Comment.

DRSAR-MA. If ammunition peculiar equipment is transferred to the Defense Ammunition Directorate, then the effective means of determining and managing ammunition peculiar equipment within one division of the Maintenance Directorate is disrupted and unnecessary coordination between two directorates is required. The study does not contain any factual data which would indicate this disruption is beneficial to the Army.

If industrial stocks are transferred to Defense Ammunition and to Materiel Management Directorates, then the clear distinction of Production's responsibility for their stocks is lost and we would have the problem of continued disagreement as to responsibility for technical direction, programming and funding for maintenance, renovation and demil of these stocks. (Additional DRSAR-MA comments relative to "system" impacts are provided under "General Comments".)

DRSAR-MM. No comment. (See "General Comments".)

DRSAR-MS. No comment. (See "General Comments".)

DRSAR-IL. It should result in an improvement to the system.

DRSAR-PD.

(1) Basically, the main objection or detrimental effect on ARRCOM production management (if the industrial inventories were in the NICP records) would be the sure erosion of the production manager's capability to respond to customer requirements in a timely manner. In order to satisfy end item production schedules, the production manager would double his workload creating documentation to support pre-positioning of components and materials. The manager would first create the Procurement/Work Directive (PWD) to procure the components/materials and then would have to create MILSTRIP documentation to draw down stocks from NICP records for industrial use. The practice utilized today is to procure and ship directly to the industrial account where the components/materials will be used. A tremendous training program in the use of MILSTRIP procedures would be required if the current procedure were to be changed; this would be a substantial time consuming recurring effort.

PARAGRAPH 7.4., RESPONSES (Cont'd)

(2) Industrial stocks are procured primarily to support production; however, some components and raw materials are procured to meet "demands", i.e., components for renovation, or for Foreign Military Sales. In most every instance except for sales, industrial stocks are packaged level C and are not suitable for issue to the field as NICP stocks normally are; therefore, the "system" would not have standard stock objectives, i.e., issue to the field versus issue only to the industrial complex.

(3) Additionally, if industrial stocks were recorded in the NICP records, they would fall under the control of the Accountable Property Officer (APO) and not under the control of the production manager, thereby attenuating the responsibilities of the production manager. Furthermore, the APO would be faced with exercising more stringent controls to obviate the possibility that industrial stocks be used only for the purpose intended and not haphazardly sold, used for other than production, or otherwise disposed of in some other way. Serious, costly production impacts could result if industrial stocks are not available to support end item production.

(4) Another consideration that must be addressed is the establishment of inventory managers for all industrial components within the NICP's which must, by necessity, duplicate the efforts of the production manager currently located in the Production Directorate since individual industrial stock inventory management is just one of many responsibilities of each production manager (there would be NO production managers available for transfer to NICP functions).

(5) Concerning accountability, one point of administration must also be considered. Currently, ARRCOM subordinate industrial installations hold the property accountability for industrial inventories. If industrial stocks were to be recorded accountable in NICP records, an administrative burden of great magnitude would confront us in the transfer of accountability back to HQ, ARRCOM; this would be another time consuming, costly venture.

(6) Financial support for care, maintenance, storage and surveillance activities for industrial stocks is currently accomplished with Procurement Appropriations monies. NICP inventory activities are supported with OMA funds which historically, are always in short supply. It would be unwise to place an additional requirement upon an already underfunded category.

(7) A question concerning the use of First Destination Transportation (FDT) funds versus the use of Second Destination Transportation funds arises if industrial inventories are placed under NICP (Depot Operations) accountability. Normally, stock shipped from Depot Operations Accounts are financed with second destination charges; this would have to be investigated thoroughly prior to any major decision being made.

(8) In summary, it is the strong contention of the Production Directorate that the present industrial inventory management system serves management in the best possible mode and provides the optimum in flexibility, control, application and cost effectiveness and should not change in any manner. The present system has been "proven" over many years of operation.

PARAGRAPH 7.4., RESPONSES (Cont'd)

DRSAR-PT. Response to paragraph 7 of CMT 1 should be provided by those directorates immediately involved with inventory management.

DRSAR-SA. No specific comments. (See "General Comments".)

DRSAR-QA. Transfer of FAITE to NICP's - If FAITE items were to be transferred to NICP's and recorded in CCSS with NSN's, several adverse situations would result:

(1) Industrial users (i.e., GOCO and GOGO) would be required to establish a MILSTRIP requisition capability if not already available.

(2) Technical Data Packages which documented the requirements for this materiel would have to be updated (by ARRCOMR) to reflect NSN's.

(3) Removal of control of the materiel from DRSAR-QA would impair the capability of DRSAR-QA to provide input of Section I provisions in procurement packages within ALT parameters established by ARRCOMR 700-2 and jeopardize QA support to procurement and production due to loss of visibility of items and control of reservation of assets.

(4) Difficulty would be encountered in establishing effective supply management of this materiel under CCSS due to the demand patterns, lack of specific maintenance factors and need for direct control of assets in order to assure availability. Requirements for this materiel are not based on normal CCSS supply control elements. In addition, the financial management of FAITE items as presently established would not be consistent with CCSS procedures for secondary/low dollar value items; currently, FAITE is acquired by production support funds.

PARAGRAPH 7.b., AREA OF RESPONSE:

7.b. What is the "population" and "frequency" of non-Army demand actions on non-cataloged items.

RESPONSES:

DRSAR-AS. No comment. (See "General Comments")

DRSAR-CP. The population and frequency of non-Army demand actions on non-cataloged items should be obtained from the headquarters elements managing these items.

DRSAR-DA. No comment.

DRSAR-MA. The population or frequency of non-Army demand actions on ammunition peculiar equipment is as follows. The demands are average number of end item requirements and average number of repair part requirements per year.

	<u>END ITEMS</u>	<u>PARTS</u>
(1) Army demands	468 rqns, 768 items	852 rqns, 6036 items
(2) Other service demands	3 rqns, 4 items	4 rqns, 18 items
(3) International Logistic demands	42 rqns, 72 items	73 rqns, 912 items

DRSAR-MM. No comment. (See "General Comments".)

DRSAR-MS. No comment. (See "General Comments".)

DRSAR-IL. In a five month period IL has processed 42 cases, representing 579 lines, reflecting items for which a NSN/MCN is not assigned. 17 of the items, representing 30 lines, have had repetitive demands. A total of 356 demands cannot be processed due to inability to identify an item manager.

DRSAR-PD. Although time does not permit a detailed item by item analysis, a brief research of records within the Production Directorate related to non-Army "customer peculiar" items, i.e., certain miscellaneous weapons items, many FMS raw materials, indicates that approximately 500 lines (transactions) are culminated annually involving approximately 200 items, the preponderance of which are raw materials sold to support foreign industrial complexes such as the small caliber ammunition producing facility in Korea.

DRSAR-PT. Response to paragraph 7 of CMT 1 should be provided by those directorates immediately involved with inventory management.

DRSAR-SA. No specific comments. (See "General Comments".)

DRSAR-QA. Non-Army demands for non-centralized/non-standard items managed by DRSAR-QA account for less than 5% of supply actions for this materiel. Non-Army demands for DRSAR-QA items have been primarily for small caliber ammunition ballistic test equipment for IL sales cases.

Since the transfer of inventory management responsibility for this materiel from Frankford Arsenal in February 1976, DRSAR-QAD has processed 11 IL sales cases for 40 items of equipment worth \$114,000.

GENERAL COMMENTS

(Comments of a general nature, not addressed specifically to either the individual study recommendations or to areas of response requested in paragraphs 6 and 7 of the 22 May 78 DF from DRSAR-PP.)

DRSAR-AS. The Weapon Systems Management Directorate has no response to the questions in paragraphs 6 and 7 of CMT 1. The reason is due to this Directorate's participation as "disinterested" members of the Study Advisory Group and the Primary Working Group.

DRSAR-CP. No "General" comments.

DRSAR-DA. No "General" comments.

DRSAR-MA.

1. Prior to commenting on the specific recommendations of the subject study, it is appropriate to comment on the basic rationales from which the recommendations evolve.

a. The study refers to AR 710-1 and implies that this regulation requires ARRCOM to have one and only one NICP which would serve as the inventory manager for all ARRCOM items. The study does not provide any detailed discussion of how this rationale is perceived from this AR and a review of the AR does not indicate the basis for this perception. Clarification has been requested from DRSAR-PP but could not be provided prior to the suspense date due to TDY of the study chairman. DRSAR-MA interprets para 1-4, d, AR 710-1 to not require that ARRCOM have one and only one NICP. It is interpreted to mean that like item categories or groups be assigned to a commodity manager. It does not require unlike items to be assigned to a single manager. It is recognized the traditional inventory control functions that support NICP operations should be consolidated where practical, i.e., cataloging, but to state ARRCOM can only have one NICP doesn't serve any useful purpose. The integrated operation referred to in AR 710-1 seems to apply only to standard NICP wholesale operations to support the retail system; where in fact for APE the wholesale system is the customer as well as the NICP with reimbursables limited to FMS and other service customers. The new Army regulation in process (AR 700-xxx) states the inventory remains under NICP ownership and accountability regardless of location worldwide. This concept is totally different from normal NICP operations.

b. The study works with the unsupported basic assumption that all items are best handled by using the Commodity Command Standard System (CCSS) National Stock Number Master Data Record (NSNMDR), but it does not provide the rationale for such an assumption and I believe the assumption is incorrect because CCSS is designed for standard items, with high volume, repetitive demands, which are widely used at retail level. This

GENERAL COMMENTS (Cont'd)

DRSAR-MA (Cont'd)

study fails to really address the applicability of CCSS for APE management, and just assumes that since CCSS exists, it would be good for APE.

(1) CCSS NSNMDR is designed to operate with very specific input and output data. To pass validations, the correct data is required. APE is not easily loaded because APE is not managed as standard adopted Army materiel, therefore it is difficult to use the NSNMDR.

(2) The CCSS performs automatic programs for the NICP which are not of value to APE because APE is managed by managerial decisions, not managed by automatic supply control studies or demand histories, etc., as standard items are managed.

(3) CCSS is designed to transfer accountability when an item is issued. ARRCOM intentionally does not automatically transfer APE accountability, but retains accountability so the flexibility is retained to move APE to workload sites.

(4) APE is often stored in installation accounts and CCSS probably does not have this capability.

(5) The CCSS probably does not provide for the managerial information and action required with APE. Bridging or system changes to CCSS would probably be required to use CCSS to manage APE.

c. The study assumes that inventory managers managing standard items can better manage APE because they are accustomed to using CCSS and performing inventory management. The study ignores the fact that the techniques to manage APE are intentionally different, and therefore ignores the possibility that inventory managers accustomed to standard item management may have a more difficult time managing APE.

d. The study proposes standardization just for the sake of standardization. If standardization is proposed, it should be to improve readiness and reduce costs, but the study ignores these. Standardizing APE and APE inventory management and using CCSS will reduce readiness and increase costs.

2. Several other basic assumptions could have been used for the accomplishment of the study and the results may have been quite different. The basic assumptions could have been:

a. For each group of items being considered, determine the management concept and procedures which will maximize the readiness support to the Army.

GENERAL COMMENTS (Cont'd)

DRSAR-MA (Cont'd)

b. Minimize workloads for ARRCOM while meeting the essential requirements for readiness support of the Army.

c. Accommodate other customers but not at the expense of the Army customers.

3. I do concur that the management of ammunition peculiar equipment (APE) should be retained in the Maintenance Directorate as recommended in the short term. I do not concur that the subject should be further studied with the implied idea that inventory management of APE should be moved to the Defense Ammunition Directorate. Even though the study recommends further study of this subject towards the end of that transfer, it initially says this is not the preferable thing to do and subsequently does not provide any real rationale for such continued study or for such a transfer. The implications are that since there are inventory managers in Defense Ammunition Directorate and Materiel Management Directorate, that they can better manage all items even though the items do not fit their normal management techniques nor can they routinely use their automated methods. The failure to recognize these significant differences causes the study to arrive at the unnecessary recommendation to continue studying the transfer of ammunition peculiar equipment to Defense Ammunition.

DRSAR-MM. The status quo recommendation of the study suggests the study group has chosen the path of least resistance and is delaying the pursuit of, although recommending for the long-term, further centralization action. This office strongly recommends immediate pursuit of recommendations d, e, and f, with appropriate resource identification for staffing requirements. Identification of the hard-core problem of "managing" nonstandard items dictates timely action into a central activity within the NICP with the primary function of insuring timely and accurate supply action.

In no case should Army Stock Fund items be assigned to more than one directorate, thereby precluding proliferation of budget development and program execution of the Stock Fund programs.

DRSAR-MS. It is not considered appropriate for this directorate to comment on the recommendations relating to organizational structure or where and how APE and FAITE items and Industrial Stocks will be managed. Our concern is the impact these decisions will have on our current method of processing and the resources required to make changes once the scope of work has been defined.

The capability exists in the CCSS to add the APE, FAITE, and Industrial Stock items to the NSNMDR. The only requirement is that the standard

GENERAL COMMENTS (Cont'd)

DRSAR-MS (Cont'd)

procedure must be followed. It will then be necessary to define the ADP requirements to support whatever method of item management is decided upon.

For those APE and FAITE items that may be loaded to the NSNMDR there is an inactive item review that will automatically delete items with no demand activity. To avoid this the items must have a special retention code of "9". The opportunity for manual review can be achieved by coding the item entered as Special Controlled Items.

DRSAR-IL. Gave specific responses. (See individual "Recommendations", "Response to Paragraph 6b", etc.)

DRSAR-PD. Gave specific comments. (See individual "Recommendations", "Responses to Paragraph 6b", etc.)

DRSAR-PT. Gave specific comments. (See individual "Recommendations", "Responses to Paragraph 6b", etc.)

DRSAR-SA. It is further suggested that the full implications and impacts of the recommendations be analyzed in detail before being approved and adopted. This impact analysis should include a complete step-by-step procedure as to how the recommendations would be implemented. Workload impacts on the CCSS and Central Cataloging should be studied in particular.

DRSAR-QA. Gave specific comments. (See individual "Recommendations", "Responses to Paragraph 6b", etc.)

GENERAL COMMENTS (Cont'd)

DRSAR-MA (Incl 1)

11. Page 3-6, paragraph 4 indicates that APE items will be assigned an MCN or NSN if they are for FMS or MAP requirements. This is true except that only an MCN would be assigned and no NSN's are intended to be assigned. It may also be noted that loading these items to the NSNMDR and assigning the MCN is a lot of work which is of no value to the Army.
12. Page 3-13, paragraph (3)(b) indicates that there are 600 APE end items. With the implementation of single manager (SM) this number has increased by approximately 300 APE items which formerly belonged to the Navy.
13. Page 3-14, paragraph d.3. indicates under status quo that APE will be processed through CCSS and this needs to be corrected that only APE for IL cases will be processed through the CCSS NSNMDR.
14. Page 3-15, paragraph (10)(c) indicates that APE will be loaded only after a demand is received and this also needs to be corrected to read that APE will be loaded to CCSS NSNMDR only when an IL demand has been received.
15. Page 3-16, paragraph 3.h shows that it is an advantage for the inventory manager to be physically and organizationally located in their prime area of interest. This is concurred with and should be an overriding factor in the evaluations rather than a factor that has been largely ignored.
16. Page 3-17, paragraph 4.a indicates that geographic dispersion of inventory managers could present problems. There is no rationale to support the theory that this could cause problems and although we would have to agree that it could, if this is the basis for decisions, then rather than thinking about what it could do, the study should address what is actually happening. Nothing in the study presents rationale to support the theory that geographic dispersion is creating problems to such a magnitude that a change is required.
17. Page 3-17, paragraph 4.b states that personnel in DRSAR-MA require training in inventory management and CCSS processing. This is true, but if the personnel were transferred to some other organization, they would still require training; therefore, the theoretic disadvantage is not a real disadvantage.
18. Page 3-17, paragraph 4c indicates that methods of accountability and management differ for military, industrial, and mission support items and this is listed as a disadvantage without any rationale or justification to show why it is a disadvantage. These management techniques should be evaluated on the basis of whether the requirements of the Army are being properly supported. If different methods are adversely affecting the support of the Army, then there is a problem; but just because they are different methods in and of itself is not a disadvantage.

GENERAL COMMENTS (Cont'd)

DRSAR-MA (Incl 1 - Cont'd)

19. Page 3-17, paragraph 4.d indicates it is a disadvantage because not all issuable or potentially issuable items are in the NSNMDR but no rationale is presented which identifies why this is a disadvantage.
20. Page 3-17, paragraph 4.e indicates there is a disadvantage due to increased rejects and document control processing, however, this disadvantage accrues only if all items are put on to CCSS. If the items are not put on to CCSS, then this problem does not occur.
21. Page 4-11, paragraph 3a indicates that there is a simple transition to move APE inventory management from DRSAR-MA to DRSAR-DA and that such a move is required by AR 710-1; however, search of this AR finds no basis for not having more than one NICP in a readiness command. The implied simplicity of such a move has not been adequately addressed.
22. Page 4-13, paragraph (4)(c) indicates that effective management of APE items would require their standardization and cataloging and this is not concurred in. There is no rationale in the study to indicate that the standardization of cataloging would provide for more effective management. This recommendation further minimizes the significant workload impact to accomplish such actions. It is doubtful that ARRCOM should undertake such significant workloads when there is no value to result.
23. Page 5-3, paragraph 2.a indicates that inventory management outside of DRSAR-IM is in direct conflict with AR 710-1, however, this cannot be substantiated directly from the AR. This is someone's interpretation of the AR. The AR can also be interpreted to mean that for each grouping of items there will be NICP established and they will be managed as a group, however, the AR does not require only one NICP in a readiness command. DRSAR-MA could be designated as the NICP for ammunition peculiar equipment and there would be no violation of AR 710-1.
24. Page 5-6, paragraph 4b indicates that items such as APE are generally peculiar to a particular organization or function and are not issued through the standard supply system. Even though the paragraph does recognize these facts, apparently little weight has been given to them in light of the recommendations to study the removal of the management from those organizations where the function belongs.
25. Page 5-7, paragraph e indicates that moving the APE items would place inventory management responsibility for these items in areas where the greatest materiel management expertise exists. However, this does not present any

GENERAL COMMENTS (Cont'd)

DRSAR-MA (Incl 1 - Cont'd)

rationale to support that this would improve the APE management and in fact it may decrement the ARRCOM APE management since the expertise in DA is concerned with supply studies and automated systems that have no application to APE and which if intentionally or accidentally used for APE would provide for significant problems in the APE program.

26. Page 6-10, paragraph (24) indicates that certain APE functions performed in MA are formal inventory management and therefore could be accomplished in DRSAR-MM or DRSAR-DA. There is no rationale to support this conclusion as being a viable or preferred alternative.

27. Page 6-10, paragraph (25) says the CCSS system is not being fully utilized particularly by DRSAR-MA. That is correct but there is nothing to support the implication that this is a problem. The CCSS, NSNMDR does not fit the requirements of the APE program and therefore it is not being used except for IL cases, but this is not a problem for ARRCOM.

28. Page 6-10, paragraph (26) indicates that APE inventory management could be accommodated by CCSS in lieu of establishment of any separate system such as MA is proposing (due to a inspection recommendation). If it is unnecessary, however, there is no detailed evaluation concerning the APE program which would indicate that the NSNMDR is the best management procedure to be used since the APE program requires a number of peculiar subjects to be recorded, such as the engineering design agency and the fabricating agency, and so forth. If the CCSS NSNMDR had been the best alternative, then DRSAR-MS would have rejected our system change request to establish a system for APE inventory management, but such a request was not rejected and is being acted upon by DRSAR-MS to provide a program suited for APE management.

29. Page 6-12, paragraph (40) indicates that partial centralization has high potential as a long term alternative and that this will include the consolidation of items and personnel for APE inventories. There is no rationale submitted to support this conclusion and in fact it conflicts with the basic recommendation number one which is to keep the management and the organizations where they are now located.

AD-A060 309

ARMY ARMAMENT MATERIEL READINESS COMMAND ROCK ISLAND IL F/G 15/5
TASK FORCE STUDY ON CENTRALIZED VERSUS DECENTRALIZED ITEM MANAG--ETC(U)
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SUMMARY MATRIX, REVIEW COMMENTS "Centralized versus Decentralized Item Management"

RECOMMENDATION																																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
ORGANIZATION																																
DRSAR-AS	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
DRSAR-CP	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	
DRSAR-DA	C	N	N	N	N	N	N	C	C	C	B	C	N	N	N	C	N	N	B	C	C	C	N	B	C	C	C	C	C	C	C	C
DRSAR-IL	C	C	C	C	C	B	C	C	C	B	C	C	C	C	C	C	C	C	C	C	C	C	N	C	C	C	N	N	N	N	N	N
DRSAR-MA	C	N	C	B	N	N	B	X	X	X	B	C	C	X	X	X	N	N	X	X	X	X	X	X	X	X	N	N	N	N	N	N
DRSAR-MM	C	N	N	B	C	C	C	C	C	C	N	C	C	N	C	C	C	C	C	C	C	C	C	C	C	C	N	N	N	N	N	N
DRSAR-MS	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
DRSAR-PD	C	C	C	C	B	B	B	C	C	C	C	C	C	C	C	C	C	C	N	N	N	N	N	C	C	C	C	C	C	C	C	C
DRSAR-PT	C	B	B	B	B	B	B	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	X	C	C	N	N	N	N	N	N
DRSAR-QA	C	C	C	N	B	B	B	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	N	N	N	N	N	N
DRSAR-SA	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	B	B	B	B	B	C	C	C	N	N	N	N	N	N
DRSAR-PP	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
KEY:	C = Concur N = Nonconcur B = Both or Undecided X = No Comment																															

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

S:27 Jun 78

REFERENCE OR OFFICE SYMBOL

SUBJECT

DRSAR-PPC

Task Force Study on Centralized versus Decentralized
Item Management within HQ, ARRCOM

TO DRSAR-AS
DRSAR-CP
DRSAR-MS
DRSAR-PT
DRSAR-SA

FROM DRSAR-PP

DATE 1

CMT 1

Mr. Bixby/dfd/4320

1. Reference is made to DF, DRSAR-PP, 22 May 78, SAB.
2. Comments in response to the referenced DF have been provided to you in two packages. The first package provided all CMT 2 responses as received by DRSAR-PP. The second package provided the same comments but restructured by subject and by specific study recommendation along with a summary matrix. Similar packages have been provided to the involved functional directorates (DRSAR-DA, DRSAR-IL, DRSAR-MA, DRSAR-MM, DRSAR-PD, and DRSAR-QA).
3. Please inform DRSAR-PP as to whether any errors have been made in transposing your comments to the restructured package NLT 27 June 1978. Inclosure 1 provides an errata page to correct the omission of part of a sentence from DRSAR-MA "General Comments" in the restructured package.
4. The Study Advisory Group (SAG) is scheduled to present the staffing comments in a discussion meeting with the DCG in his office 0830 hours, 29 June 1978. The DCG has received an advance copy of the comment packages.

1 Incl
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GEORGE T. NICKOLAS

ActC, P&P Policy and Plans Office

DRSAR-ASP (22 Jun 78)

TO DRSAR-PP

FROM DRSAR-ASP

DATE 27 Jun 78 CMT 2

Mr. Gustafson/sac/4461

As requested in Para 3 of CMT 1, no errors were made in transposing our comments submitted 31 May 1978.

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PERRY C. REYNOLDS

LTC, GS

C, Prog & Mgt Sys Div

Wpn Sys Mgt Directorate

I-73

DRSAR-PPC

MEMORANDUM FOR RECORD

SUBJECT: Notes from Deskside Discussion Meeting with BG Harper, 0830 hrs, 29 Jun 78. (Review of Staffing Comments and Recommendations of Study on Centralized vs Decentralized Item Management Within HQ, ARRCOM.)

Participants:

BG Harper	DCG
Mrs. Hansen	DRSAR-PP
Mr. Williams	DRSAR-CP
Mr. D. McCune	DRSAR-MS
Mr. J. Hill	DRSAR-PT
Mr. M. Rhian	DRSAR-SA
Mr. H. Rubin	DRSAR-CP
Mr. D. Bixby	DRSAR-PP

Discussion:

1. Purpose of the meeting was to discuss the study recommendations in light of the staffing comments on the revised study. The staffing comments had been solicited as directed by General Harper during the 19 May 78 deskside briefing on subject study. Staffing comments were provided in two packages, the first being the CMT 2 responses as received and the second being the same comments restructured by subject matter and study recommendations. The second package of comments included a summary matrix which coded each directorate's position (concur, non-concur, undecided) on each study recommendation. The latter package was used as the basis for discussion and review of the study recommendations.

2. Mr. Bixby pointed out those recommendations for which there were no staffing non-concurrences, and a brief discussion was held on each of these. Recommendations in this category were:

- a. Recommendation "a" - Retain present organizational structure.
- b. Recommendation "f," "f1," and "f2" - DRSAR-IL should not perform as Inventory Manager for any item.

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- c. Recommendation "G.1" - CCSS procedures must be adhered to.
- d. Recommendation "G.5" - Training for all item managers.
- e. Recommendation "J" - Fully implement the recommendations of the prior study on "Unbilled Shipments."

General Harper indicated a general agreement with recommendations "a," "f," and "g"; but had reservations on recommendation "j" and was concerned about the current status of the various recommendations from the prior study. Status based on Dr. Peltier's report of 17 Dec 77 was provided. General Harper was concerned that prior study recommendations "5B" and "5D" would result in getting into DRSAR-PD's business heavily with DRSAR-IL. General Harper called COL Belcher in regard to DRSAR-PD's ability to accept the transfer of DRSAR-IL's 500 "quasi-manager" items. COL Belcher indicated "no problem." It was pointed out that not all of these 500 IL items will accrue to DRSAR-PD and that many are IPE items. General Harper does not fully concur with prior study recommendation "5E," and wanted to go on record as of 29 Jun 78 that he does not approve of the last portion of that recommendation, which states "...and that current orders reflecting these conditions be cancelled and reissued." General Harper asked Mr. Williams (DRSAR-CP) the current status of prior recommendation "5K." Mr. Williams indicated that he would find out and get an answer back today. General Harper called Dr. Peltier in regards to recommendation "5K," asking how many delivered/unbilled actions do we have today. Dr. Peltier said that the exact figure was unknown, but that the backlog had been drastically reduced and the quantity was now minimal. He will get the exact information today and report back to General Harper.

General Harper then asked Mr. Williams to look into both prior recommendations "5K" and "5L," and report back with the current status. General Harper then tasked DRSAR-PP with the proponentcy for finding out the status and progress of recommendation "5N" (Training programs in CCSS procedures and inventory management). General Harper further tasked DRSAR-PP to check on the last formal report from Dr. Peltier's Study Advisory Group. If the last report is not recent, he wants one by 31 Jul 78 and it is to be a formal, "close-out" type of report.

3. Mr. Bixby then pointed out that of the balance of the recommendations only the last one ("k" - perform future study on transfer of APE and FAITE to DRSAR-DA/MM) had a majority non-concurrence. All other recommendations had a consensus of concurrences. General Harper indicated that "Disapproval" of recommendation "k" was an easy decision.

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4. Discussion, command decision, and direction on each study recommendation ensued. (Although they were not necessarily addressed in order, they are so listed herein for clarity purposes.)

a. Recommendation "a" - Approved.

b. Recommendation "b" - Approved, but with directed rewrite. General Harper concurs with the staff non-concurrences based on reluctance to transfer "partial" responsibilities. The problem may be in the statement of the recommendation--it is not clear that we are only talking about "one time wash-throughs" on a case-by-case basis. Generally, General Harper philosophically agrees with the recommendation, but is concerned with the procedures to accomplish it and with the additional workload that may be placed on the Inventory Managers. Mr. McCune indicated that he is working with COL Belcher on a concept for loading these items (Industrial stocks) in a separate account in the CCSS. General Harper said that he had personally charged COL Belcher with "accountability" for industrial stocks. General Harper directed that the recommendation be rewritten to state--"Retain in DRSAR-PD the inventory control and accountability for industrial components. DRSAR-PD to work with DRSAR-MM and DRSAR-DA to develop a system to transfer industrial stocks to DRSAR-MM or DRSAR-DA, as appropriate, on a case-by-case basis for external demands or as required for renovation."

c. Recommendation "c" - Approved, but with directed rewrite. General Harper asked how this differed from recommendation "b", and was told that they go together. Recommendation "b" addresses case-by-case transfers for "Demands," whereas recommendation "c" addresses the normal day-to-day management of industrial stock items for production purposes. General Harper asked if that isn't normal business the way we are doing it today. The response was yes, and the nonconcurrences may be partly due to a misunderstanding. DRSAR-MM and DRSAR-DA nonconcur in a "partial" transfer of responsibilities, but the intent of recommendation "b" and "c" was to only transfer the individual action to honor external demands on a case-by-case basis. General Harper concurred with the recommendation but directed changes be made. He pointed out that regardless of the source of the requirements, the accountability for the item lies with the NICP. General Harper directed that the rewritten recommendation should list the six steps of an NICP, excepting formal cataloging, and should state--"DRSAR-PD to retain accountability and perform NICP functions for industrial components to procure requirements, retain accountability, and ship upon demand. The NICP functions to be performed include cataloging direction, requirements computation, procurement direction, maintenance direction, and materiel utilization direction."

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d. Recommendation "d" - Disapproved. General Harper directed that we strike Industrial Components from this recommendation and add Industrial Plant Equipment (IPE) and that there should then be three separate PP driven studies conducted on what and how we handle and control APE, FAITE, and IPE. General Harper directed that we also are to look for other categories, such as ADP equipment and Terminals, which should be studied. These are not to address the centralization issue, but are to address the subject of control, including the impacts of separate systems such as the one being developed for APE. Who is accountable for these items? Who performs NICP management? Convinced not assigning NSN's to APE has cost the government a lot of money. MA is writing an AR calling for inventory reporting of all APE worldwide.

e. Recommendation "e" - Disapproved. General Harper directed that the concept of this recommendation be included with the studies directed under recommendation "d."

f. Recommendation "f" - Approved, as previously discussed (including recommendations "f1" and "f2").

g. Recommendation "g" - Approved, but with directed rewrite. Strike the word "standard," as it defeats individuality of management of different commodities, and add the phrase "...and that these procedures will be reviewed and approved by the Directors thereof."

h. Recommendation "g1" - Approved.

i. Recommendation "g2" - Approved, but take out the word "standard."

j. Recommendation "g3" - Approved, but combine with recommendation "g2." General Harper felt that this was redundant as a separate recommendation.

k. Recommendation "g4" - Approved, but combine with recommendation "g2" for the same reason of redundancy given on "g3."

l. Not Used.

m. Recommendation "g5" - Approved. Everyone (staffing) had concurred in this one.

n. Recommendation "g6" - Approved, but with a caveat. General Harper emphasized that we are not talking about APE in this one. His

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approval is with the knowledge and understanding that the cataloging function for AMMO has not been separated from DRSAR-MM as yet, and until it is separated, all cataloging will be by DRSAR-MM.

o. Recommendation "g7" - Approved, but with the same caveat as applied to "g6."

p. Recommendation "h" - Approved, but with directed rewrite. General Harper was concerned about how we will do this and how we will implement this recommendation. He directed that the recommendation be changed to read "Customer orders for items not assigned to ARRCOM will be directed to the appropriate NICP unless we are directed to process by higher headquarters, or where disagreement as to PICA has not been resolved."

q. Recommendation "h1" - Approved, but combine with "h" and roll up into a single recommendation.

r. Recommendation "h2" - Approved, but combine with "h" and roll up into a single recommendation.

s. Recommendation "h3" - Approved, but combine with "h" and roll up into a single recommendation.

t. Recommendation "h4" - Approved, but with a directed rewrite and combine with "h" as a single recommendation. General Harper said that DRSAR-PD must have hard copy documentation as proof of efforts to solicit higher headquarters decision/resolution of disputed PICA assignments. He directed that the phrase "...formal notification has been provided to DARCOM" be added to this recommendation.

u. Recommendation "i" - Approved, but combine with recommendations "b" and "c", and subject to the comments applicable to those recommendations. General Harper said that his position relative to "i" was amply clarified by his comments on "b" (i.e.--DRSAR-PD to perform fully as an NICP excepting for formal cataloging.). General Harper was aware of the major cost (potentially in excess of \$100,000,000) involved if we were to formally catalog for sale every item and part that ARRCOM handles, and indicated that he does not intend at this time to worldwide broadcast all industrial components.

v. Recommendation "j" - Approved, subject to General Harper's earlier discussion and concern over the status of the prior study recommendations. This recommendation had received a consensus of concurrences in the staffing comments.

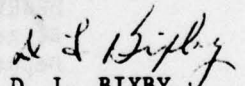
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w. Recommendation "k" - Disapproved, including subrecommendations "k1" thru "k2", per prior discussion. This recommendation had received a consensus of nonconcurrences in the staffing comments. Nonconcurrences were primarily based on either "no need or benefit in further study" or "items not appropriate for transfer to the NICP's."

5. At the end of the discussion meeting General Harper asked how do we intend to implement and when do we intend to implement, now that he has approved or disapproved the various elements of the study. We will ascertain the status of the Peltier study and its recommendations, rewrite our study recommendations as directed by General Harper, and prepare appropriate implementing directives for his signature. General Harper was concerned with the "timing" of implementation, requesting that it be accomplished by 15 Jul 78, if possible. If this time frame is difficult to achieve for all elements, we are to indicate the problems relative to specific elements. General Harper said that it was not necessary to staff the approved recommendations for further comment-- that the Directors could receive them as attachments to the implementing directives.

The meeting adjourned at 10:30.


D. L. BIXBY
General Engineer

DISPOSITION FORM

For use of this form, see AR 340-15, the proponent agency is TAGCEN.

S: 31 Jul 78

REFERENCE OR OFFICE SYMBOL	SUBJECT
DRSAR-PP	Task Force -- Centralized versus Decentralized Item Management within HQ, ARRCOM

TO SEE DISTRIBUTION

FROM DRSAR-DCG

DATE JUL 1978 CMT 1
Mr. Bixby/jrh/4320

1. Reference is made to DF, DRSAR-PP, 22 Jun 78, SAB.
2. Subject study recommendations were reviewed 29 Jun 78 in light of staff comments provided via reference 1. Minutes of the 29 Jun discussion meeting are provided at Inclosure 1. The study recommendations were approved subject to directed changes and deletions. The approved recommendations are provided at Inclosure 2. These recommendations replace those addressed by reference 1 as cited in the Executive Summary and Chapter 6 of the revised study report.
3. DRSAR-PP is tasked with overall coordination and monitoring of the implementation of approved recommendations. Individual directorates/offices are tasked with the proponentcy and responsibility for implementation of specific recommendations. Proponentcy assignments are provided at Inclosure 3. Coordination with, and cooperation by, impacted HQ, ARRCOM organizational elements is inherent to the proponentcy assignments. Each proponent will prepare and submit to DRSAR-PP by 31 Jul 78 a plan for implementation of assigned approved recommendations. Implementing plans will include actions, milestones and coordinations.

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as



HENRY H. HARPER
Brigadier General, USA
Deputy Commanding General

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